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THE POLITICS OF LOCAL TAXATION: A STUDY OF
COMMUNITY LEADERSHIP IN REVENUE MATTERS

A DISSERTATION

SUBMITTED TO THE GRADUATE FACULTY

in partial fulfillment of the requirements for the

degree of

DOCTOR OF PHILOSOPHY

BY

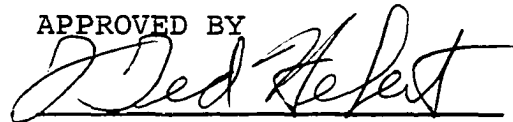
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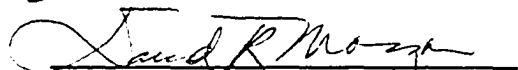
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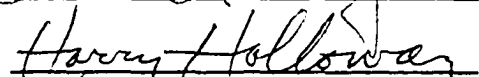
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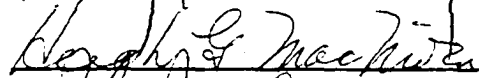
THE POLITICS OF LOCAL TAXATION: A STUDY OF
COMMUNITY LEADERSHIP IN REVENUE MATTERS

APPROVED BY











DISSERTATION COMMITTEE

To Carole Eliason, friend in need;
my mother, Mary E. Williams,
lifetime supporter;
and the memory of my father,
George B. Williams,
who would, I think,
be proud.

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THE POLITICS OF LOCAL TAXATION: A STUDY OF COMMUNITY

LEADERSHIP IN REVENUE MATTERS

CHAPTER I

TAX LEADERSHIP IN THE POLITICAL PROCESS

Introduction

Easton defines politics as "the authoritative allocation of values for a society," and he endorses a "post-behavioral revolution" which challenges political science to become more socially relevant and oriented toward action on problems.¹ Taxation certainly appears to fall within the scope of a socially relevant problem dealing with authoritative allocations of values. This line of thinking seems to be particularly useful for studying politics at the state and local level. Indeed, Campbell suggests that state and local politics is tax politics.² Wade and Curry note that tax

¹David Easton, The Political System: An Inquiry into the State of Political Science (2d ed.; New York: Alfred A. Knopf, 1971), p. 129; David Easton, "The New Revolution in Political Science," American Political Science Review, LXIII (December 1969), pp. 1051-1061.

²Alan K. Campbell, "Metropolitan Organization, Politics, and Taxation," Proceedings of the Academy of Political Science, XXVIII (1968), pp. 560-571.

burden allocations among community members are a major governmental policy element. Moreover, "individual tax costs are among the primary political concerns of most citizens and have a tremendous impact on political behavior." In addition, equity and fairness questions arise over levels and incidence of taxation.³

One need not look far for signs of empirical evidence to back up such assertions. Every day, newspapers and magazines carry numerous stories about such things as the financial difficulties of the states and cities, revenue sharing, state supreme court rulings on property tax financing of public schools, the value-added tax, campaign rhetoric about tax reform, and a somewhat ominous sounding "taxpayers' revolt."⁴

³L. L. Wade and R. L. Curry, Jr., A Logic of Public Policy: Aspects of Political Economy (Belmont, California: Wadsworth Publishing Company, Inc., 1970), p. 7.

⁴A 1973 Louis Harris poll found that 60 per cent of the respondents sympathized with the idea of a "taxpayers' revolt." See Timothy D. Schellhardt, "Taxing Job," The Wall Street Journal (Southwest ed.), January 24, 1974, p. 6. And the recent dramatic rises in rejection rates for public school tax and bond issues strongly suggest that citizens are putting their votes where their sympathies lie. See, for example, Charles L. Schultze et al., Setting National Priorities: The 1973 Budget (Washington, D.C.: The Brookings Institution, 1972), p. 324; Robert E. Jennings and Mike M. Milstein, "Citizens' Attitudes in School Tax Voting," Education and Urban Society, V (May 1973), p. 300.

Considering Easton's influence and the social relevance of the issue, I initially expected to find a sizable and well developed body of scholarly literature on the politics of state and local taxation. Yet a survey of the literature revealed that no such corpus exists.⁵ Of course, a few notable works have appeared.⁶ But in general, political scientists have focused on the expenditure side of subnational governmental finance and have left tax and revenue analysis to economists, professional educators, public opinion pollsters, and mission-oriented public administrators.⁷

⁵For corroboration of this point, see Robert R. Pealy, "Public Policy and Property Taxation," Public Administration Review, XXXI (January/February 1971), pp. 86-92; Larry L. Wade, The Elements of Public Policy (Columbus, Ohio: Charles E. Merrill Publishing Company, 1972), p. 13; Ernest A. Engelbert, "The Political Aspects of Real Estate Taxation in Relation to Metropolitan Growth and Planning," in Land and Building Taxes--Their Effect on Economic Development, ed. by Arthur P. Becker (Madison: The University of Wisconsin Press, 1969), pp. 97-114; Arnold J. Meltsner, The Politics of City Revenue (Berkeley: University of California Press, 1971), p. 2; F. Ted Hebert, "The Politics of Revenue Raising," Public Administration Review, XXXIII (September/October 1973), pp. 473-478.

⁶See, for example, Alvin Boskoff and Harmon Zeigler, Voting Patterns in a Local Election (Philadelphia: J. B. Lippincott Company, 1964); Meltsner, The Politics of City Revenue; Ronald G. Claunch, "Voter Reactions to Missouri Sales Tax Referenda: The Role of Self-Interest, Public-Regardness and Political Trust" (unpublished Ph.D. dissertation, University of Missouri, Columbia, 1972).

⁷For a representative sample of the political science orientation, see Thomas R. Dye, Politics, Economics, and the

Public: Policy Outcomes in the American States (Chicago: Rand McNally & Company, 1966); Ira Sharkansky, The Politics of Taxing and Spending (Indianapolis: Bobbs-Merrill Company, Inc., 1969); Robert L. Lineberry and Ira Sharkansky, Urban Politics and Public Policy (New York: Harper & Row, Publishers, 1971), Chapter 7. Compare such works with, for example, Bernard P. Herber, Modern Public Finance: The Study of Public Sector Economics (rev. ed.; Homewood, Illinois: Richard D. Irwin, Inc., 1971); John F. Due and Ann F. Friedlaender, Government Finance: Economics of the Public Sector (5th ed.; Homewood, Illinois: Richard D. Irwin, Inc., 1973); James M. Buchanan and Marilyn Flowers, "An Analytical Setting for a 'Taxpayers' Revolution," Western Economic Journal, VII (December 1969), pp. 349-359; Dick Netzer, State-Local Finance and Intergovernmental Fiscal Relations (Washington, D.C.: The Brookings Institution, 1969); Jesse Burkhead, Public School Finance--Economics and Politics (Syracuse, New York: Syracuse University Press, 1964); Carl Richard Ashbaugh, "Strategies for Building Constituent Support: A Comparison of School System and Municipal Government Efforts to Acquire Increased Operating Revenue" (unpublished Ph.D. dissertation, Ohio State University, 1969); Eva Mueller, "Public Attitudes Toward Fiscal Programs," Quarterly Journal of Economics, LXXVII (May 1963), pp. 210-235; U.S., Department of Health, Education, and Welfare, Office of Education, Influence of Voter Turnout on School Bond and Tax Elections, by Richard F. Carter and William G. Savard, OE-22012, Cooperative Research Monograph No. 5 (Washington, D.C.: U.S. Government Printing Office, 1961); Charles L. Willis, "Analysis of Voter Response to School Financial Proposals," Public Opinion Quarterly, XXXI (Winter 1967-1968), pp. 648-651; Elizabeth L. David, "A Comparative Study of Tax Preferences," National Tax Journal, XXI (March 1968), pp. 98-102; "City Taxes and Services: Citizens Speak Out," An Urban Observatory Report (Washington, D.C.: National League of Cities, 1971), expanded and reprinted from an article by the same title in Nation's Cities, IX, No. 8 (August 1971), pp. 9-24; Maurice A. Lohman and William C. Sayres, "Why People Vote No": Case Study Observations (n.p.: Division of Research, The State Education Department, The University of the State of New York, April 1960); Advisory Commission on Intergovernmental Relations, The Commuter and the Municipal Income Tax--A Background Paper (Washington, D.C.: The Commission, 1970); Advisory Commission on Intergovernmental Relations, Public Opinion and Taxes (Washington, D.C.: The Commission, May 1972).

Moreover, the existing political science literature touching on taxation--especially at the state and local level--presents a number of problems. For instance, some writers use financial problems merely as part of a framework for advocating such things as better land use planning and metropolitan integration.⁸ Others turn out case studies devoid of conceptual frameworks.⁹ Still other case studies provide good conceptual schemes,¹⁰ but bring to mind much of the community power structure literature in that they (1) offer little or no comparative analysis and (2) focus almost exclusively on the interactions of leaders. In contrast, a recent work offers a conceptually rich and methodologically impressive survey of

⁸For example, see Engelbert, "The Political Aspects of Real Estate Taxation . . ."; Robert C. Wood, 1400 Governments: The Political Economy of the New York Metropolitan Region (Cambridge, Massachusetts: Harvard University Press, 1961).

⁹See, for example, Ann H. Elder and Glenn W. Fisher, An Attempt to Amend the Illinois Constitution: A Study in Politics and Taxation (Urbana: Institute of Government and Public Affairs, University of Illinois, 1969); Robert L. Peabody, "Seattle Seeks a Tax," in State and Local Government: A Case Book, ed. by Edwin A. Bock (n.p.: University of Alabama Press, 1963), pp. 493-514.

¹⁰See, for instance, Thomas J. Anton, "The Politics of State Taxation: A Case Study of Decision-Making in the New Jersey Legislature" (unpublished Ph.D. dissertation, Princeton University, 1961); Elias Bertram Silverman, "Constraints on Innovation: A Classified Income Tax for Pennsylvania" (unpublished Ph.D. dissertation, Pennsylvania State University, 1970); Meltsner, The Politics of City Revenue (which is a little-revised version of his dissertation, incidentally).

voter attitudes (with something of a comparative perspective), but seems to rely too heavily on citizen attitudes and opinions expressed "after the fact" of the tax elections and to eschew any systematic study of the leadership's role in the referenda.¹¹

A comparison of Meltsner's The Politics of City Revenue and Claunch's "Voter Reactions to Missouri Sales Tax Referenda" reveals an interesting difference in research orientation. Meltsner, in essence, argues that Oakland can solve its revenue problems through some sort of ill-defined "stronger leadership" since the people are willing to pay more taxes to solve community problems than city officials perceive them to be. In other words, the citizenry really has not reached the psychological limit on taxes; the problem is that the leaders perceive the citizenry as having arrived at this limit. Accordingly, Meltsner calls on city officials to sound out public opinion on not-too-clearly defined "big" revenue issues. But this advice seems somewhat incongruous since he draws many of his own conclusions about citizen attitudes and opinions on the basis of interviews with a fairly small sample of positional "citizen-leaders." Moreover, at other times, he

¹¹Claunch, "Voter Reactions to Missouri Sales Tax Referenda."

urges the leaders to avoid the public and the issues. One gets the feeling that he wants city officials to hoodwink the dull clods whenever they can get away with it. And he concludes with the remarkable statement that "the politics of city revenue is mostly a nonpolitics . . ."¹²

Where Meltsner says that the public would gladly dispose if only the leaders would propose, Claunich generally ignores the proposing aspects of tax policy-making and concentrates instead on the disposing. In other words, he focuses on a presumed overriding importance of voter attitudes and opinions in determining tax referenda outcomes. He finds that voter behavior seems most influenced by self-interest, although this may be modified somewhat by attitudes of public-regardiness and political trust of public officials. The politics of city revenue is anything but a nonpolitics, and it operates through a self-interested, cost-benefit analysis made by the individual voter. "A [campaign] strategy which emphasizes community needs and the need for personal sacrifice in terms of higher taxes would probably not be a highly successful strategy; for even if persons were to think the community would benefit a great deal, they tend to vote negatively if they

¹²Meltsner, The Politics of City Revenue. See Chapters 1, 6, and 7, especially. Quote on p. 285.

anticipate few personal benefits or high personal costs."¹³ Elsewhere, Claunch puts it more bluntly: regardless of the average citizen's expressed preferences, he "is probably only really concerned about solving the needs of the community if it will not cost him anything."¹⁴ In contrast with this bleak image of the general public, Meltsner uses his citizen-leader survey and a summary of earlier research to argue that in many cases the average citizen is issue-oriented and can be persuaded to pay more taxes to solve community problems.¹⁵

Claunch and Meltsner appear to have done the most extensive recent political analyses of local taxation. They differ markedly as to the relative importance assigned to

¹³Claunch, "Voter Reactions to Missouri Sales Tax Referenda," Chapter 8. Quote on p. 247. These conclusions clash sharply with some of those found in James Q. Wilson and Edward C. Banfield, "Public-Regardingness as a Value Premise in Voting Behavior," American Political Science Review, LVIII (December 1964), pp. 876-887. For comparable findings on voter self-interest, see, for example, Angus Campbell et al., The American Voter (New York: John Wiley & Sons, Inc., 1960), pp. 204-205; Lewis Bowman, Dennis S. Ippolito, and Martin L. Levin, "Self-Interest and Referendum Support: The Case of a Rapid Transit Vote in Atlanta," in People and Politics in Urban Society, ed. by Harlan Hahn, Urban Affairs Annual Reviews, Vol. 6 (Beverly Hills, California: Sage Publications, 1972), pp. 119-136.

¹⁴Ronald Claunch, "How Voters Decide in a Sales Tax Election," Missouri Municipal Review, XXXVI, No. 7 (July 1971), p. 7. Dr. Claunch's name was misspelled as "Glaunch" in the article.

¹⁵Meltsner, The Politics of City Revenue, Chapter 6 and pp. 256-260.

leaders and followers in determining tax policy. And they suggest, although they approach the matter from different angles, that tax-proposing officials and civic leaders are not representative of the citizenry with respect to perceptions of the psychological limits of tax increases to meet real or alleged community needs.¹⁶ This line of thought indicates that one might fruitfully compare and contrast the tax beliefs, attitudes, and opinions of leaders and followers--looking for the impact of points of congruence or noncongruence on the outcome of tax referenda. And, accordingly, I initially outlined this study along such lines.

Further research and reflection on the problem, however, indicated that perhaps I should focus on tax leadership instead of undertaking the more ambitious project of actually

¹⁶For examples of studies showing considerable difference between leaders and followers' attitudes and policy preferences, see Warren E. Miller and Donald E. Stokes, "Constituency Influence in Congress," American Political Science Review, LVII (March 1963), pp. 45-56; Norman R. Luttbeg, "Patterns of Leadership Policy Preference: A Study of Some Assumptions in Community Research," in Public Opinion and Public Policy: Models of Political Linkage, ed. by Norman R. Luttbeg (Homewood, Illinois: The Dorsey Press, 1968), pp. 355-364. For differences specifically over taxes, see David Reid Morgan, "Suburban Differentiation and Metropolitan Political Integration" (unpublished Ph.D. dissertation, University of Oklahoma, 1969), pp. 265-267; Citizens and Local Governments in Iowa: Problems, Participation, and Attitudes, Working Paper No. 3 of Local Government in Iowa: Problems and Perspectives (Iowa City: Institute of Public Affairs, The University of Iowa, 1971), Chapters 3 and 4.

surveying and comparing leader-follower tax attitudes. What were some of the reasons for this conclusion? First of all, as Paige points out, although one can find a sizable body of literature devoted to various aspects of political leadership, the subject remains seriously neglected as a focus of inquiry. Paige found, for instance, that from 1906 through 1963, only about 3 per cent (85 of 2614) of the articles in the American Political Science Review had titles with words relating directly either to the concept of leadership or to leadership roles, even within the context of the American political system.¹⁷ Such theoretical neglect becomes even more critical when one considers its implications for policy analysis and prescription. Eyestone, for example, found that San Francisco Bay area councilmen perceived lack of leadership as a key cause of municipal problems.¹⁸ The political scientist can hardly analyze and prescribe effectively when he is dealing with concepts and phenomena which he barely appreciates, much less understands.

¹⁷Glenn D. Paige, "Overview: Introduction," in Political Leadership: Readings for an Emerging Field, ed. by Glenn D. Paige (New York: The Free Press, 1972), pp. 1-17.

¹⁸Robert Eyestone, The Threads of Public Policy: A Study in Policy Leadership (Indianapolis: The Bobbs-Merrill Company, Inc., 1971), p. 45.

A second reason was that other studies of referenda leadership deal with less "visible" forms of taxation, e.g., property taxes, school bonds, or with other community issues, e.g., fluoridation, metropolitan reorganization. Nobody has studied the leadership in local sales tax matters. For instance, in a local sales tax referendum, the proposing leaders must directly confront the citizens with the idea of a tax increase--a highly visible and historically unpopular issue that will hit the public in the pocketbook everyday. Moreover, a study of local sales tax leadership seems especially relevant for Oklahoma, which has a long state sales tax tradition.

Third, just a cursory review of methodological problems involved in public opinion surveys produced some nagging doubts about what I would really learn from the average citizen's responses to tax and revenue questions. And the voting studies and numerous other attitude and opinion surveys amply document the concept of the uninformed and uninterested citizen.¹⁹

¹⁹For an excellent survey of much of this literature, see David O. Sears, "Political Behavior," in The Handbook of Social Psychology, ed. by Gardner Lindzey and Elliot Aronson, Vol. 5 (2d ed.; Reading, Massachusetts: Addison-Wesley Publishing Company, 1969), pp. 324-337. For empirical studies showing a low level of citizen tax knowledge and consciousness, see James M. Buchanan, Public Finance in Democratic Process: Fiscal Institutions and Individual Choice (Chapel Hill: The University of North Carolina Press, 1967), Chapter 13, and Robin Barlow, Harvey E. Brazier, and James N. Morgan, Economic Behavior of the Affluent (Washington, D.C.: The Brookings Institution, 1966), Chapter 11.

Indeed, Hennessy cites an impressive body of literature to justify his contention that the masses lack consistent belief systems or attitudes, and that political scientists should therefore quit wasting their time on the general public and instead focus on elites and their attitudes.²⁰ This position seems a bit extreme. But it does suggest (1) that one should have a good understanding of the role of tax leaders before he attempts to assess leader-follower similarities and differences as they actually exist, and (2) that for limited research projects such as this one, the only "safely" meaningful measure of the citizenry's tax attitudes and opinions may be their behavior at the polls.²¹

Fourth, although one must eventually come to grips with citizen attitudes and opinions when dealing with any sort of direct legislation problem, the simple fact of the matter is that the leaders, not the masses, bring tax and revenue policy questions to the formal agenda. A grassroots demand for

²⁰Bernard Hennessy, "A Headnote on the Existence and Study of Political Attitudes," Social Science Quarterly, LI (December 1970), pp. 469-472.

²¹On this latter point, a recent book challenges the conventional wisdom of The American Voter on the very grounds that one should study voter behavior, not voter self-perception and self-description. See Walter De Vries and Lance Tarrance, Jr., The Ticket-Splitter; A New Force in American Politics (Grand Rapids, Michigan: William B. Eerdmans Publishing Company, 1972).

increased taxes seems most unlikely. This situation may result from citizen apathy or citizen opposition. But in sales tax referenda, it really does not matter either way. From the standpoint of effective political initiatives and other actions, unless local tax leaders perceive differences with their followers and consider them truly important, any actual differences will have little bearing on their tax-related predispositions and behavior.²²

Finally, and more to the point of this study, the history of the local sales tax in Oklahoma suggests that the views of both Meltsner and Claunch should be further studied and perhaps modified. In 1965, the state legislature authorized Oklahoma municipalities to levy voter-approved additional sales taxes as high as 2 per cent. By November 1973, some 309 cities and towns were receiving revenue from this source. And of this number, about 12 per cent were collecting the levy at the 2 per cent rate.²³ In terms of political economy, this means that some Oklahoma cities rely more heavily on the local sales tax than others do. From a political psychology standpoint, it suggests, contrary to Meltsner, that in many cities

²²Betty H. Zisk, Local Interest Politics, a One-Way Street (Indianapolis: The Bobbs-Merrill Company, Inc., 1973), pp. 6-7.

²³Oklahoma, Tax Commission, news release, October 12, 1973. (Mimeographed.)

political leaders are not afraid to go to the public for noticeable tax increases. Further, it points up a shortcoming in Claunch's approach, viz., no systematic analysis of why the leadership proposed the tax in the first place.

At any rate, in many Oklahoma cities and towns, voters have responded to leadership appeals by approving sales tax increases; at the same time, in other places, they have overwhelmingly rejected the leadership's tax-increase proposals. This suggests, in turn, that tax leaders often do but sometimes do not represent the citizenry with respect to revenue preferences, perceptions of community needs, the psychological limits of taxation, and so on. In short, Oklahoma municipalities appear to differ distinctly on such matters as degree of reliance on the city sales tax for revenue, the role of tax leaders, and acceptance of tax-proposing leadership. This dissertation seeks to explore certain aspects of these differences.

At this point, I should note that although this study deals with an aspect of local leadership, it generally avoids the approaches taken in much of the community power structure literature and limits itself to municipal public officials.²⁴

²⁴For those interested in the voluminous community power structure literature, a good recent review is Willis D. Hawley and James H. Svara, The Study of Community Power--A

One can readily find justifications for such a limitation. Morgan, for instance, observes that city councils must take the final action on local public policy no matter where community decisions originate. And he points out that works such as Dahl's Who Governs? and Presthus' Men at the Top convincingly demonstrate that municipal officials frequently exercise real political power.²⁵ Lineberry and Sharkansky--calling attention to the impact of constitutional, statutory, and administrative constraints, particularly in the area of finances--argue that power structures probably influence community political system outputs very little.²⁶ And Williams and Adrian complement this argument by showing that most of the community power structure studies have underestimated a critical locus of power, viz., the electoral majority's enormous veto power because of the peculiarly American emphasis on community referenda. In many cases involving money, city officials must, by law, obtain the people's direct approval of

Bibliographic Review (Santa Barbara, California: ABC-CLIO, Inc., 1972). This work identifies and annotates a substantial part of the writing (including doctoral dissertations) produced between 1920 and 1970.

²⁵Morgan, "Suburban Differentiation and Metropolitan Political Integration," p. 147.

²⁶Lineberry and Sharkansky, Urban Politics and Public Policy, p. 162.

their proposals. Accordingly, a Hunter-like power elite (if one exists) may secretly arrive at vital decisions, but it still faces the monumental task of convincing both public officials and an electoral majority to permit it to rule as it wishes. In other words, any group of dominating leaders must at some point openly try to "sell" officials and the general public on their programs.²⁷ Hence, elected and appointed officials--in their role as official tax-proposing leaders of a community--must perforce play a pivotal part in policy-making, especially in areas dealing with local taxes and revenue.

Research Questions

Since this is an exploratory study, I am posing no formal hypotheses to test. Instead, I am raising one basic and a large number of subordinate questions to examine and try to answer from a variety of perspectives.

The basic question to be answered is simply this: what in the Oklahoma municipal tax and revenue process encourages and enables leaders in some cities to rely more on the local sales tax than leaders in other cities can and do? Some cities,

²⁷Oliver P. Williams and Charles R. Adrian, Four Cities: A Study in Comparative Policy Making (Philadelphia: University of Pennsylvania Press, 1963), pp. 117-118.

for instance, have no local sales tax; others, 1 per cent; still others, 2 per cent. Some have passed 1 per cent taxes, but have not tried for the second penny; others have tried to increase their levy from 1 to 2 per cent, but have failed to obtain the necessary voter approval. Many other possible situations exist. But they all lead back to the basic question and the need to look for patterns which might help to explain these differences.

In his recent review article, Hebert proposes an interesting model of the revenue policy-making process which appears to offer helpful guidance for answering this question. This two-part representation features several "predispositional" variables (constitutional and legal constraints, the social and economic environment, the nature of interest group activity, policies of other governmental entities, the nature of the decision-making process, and historical precedents and traditions) and a "black box" diagram of the policy process itself which links and interrelates public attitudes, leader attitudes, leader perceptions of public attitudes, and revenue policy. The predispositional variables impact on and influence the policy process variables and their interrelationships. A feedback loop completes the scheme.²⁸

²⁸Hebert, "The Politics of Revenue Raising," p. 474.

In a dissertation of limited scope, I cannot hope to study all of these variables. But in modified form, the Hebert model serves admirably well as a tool for ordering exploratory research such as this.²⁹ Accordingly, this study seeks to answer a number of questions raised by the model variables.

a. How do tax traditions, precedents, and constitutional/legal constraints interrelate and impact on the municipal tax and revenue process in Oklahoma? How are these factors related to the political economy of Oklahoma municipalities?

b. Do selected social characteristics of tax leaders appear to be in any way associated with differences in local sales tax policy and reliance? Most socio-economic status variables have received thorough study. Consequently, they get relatively little attention in this study. But as Prewitt's masterful research on San Francisco Bay area councilmen amply demonstrates, some appreciation of characteristics bearing on political socialization and recruitment seems essential to understanding the psychology of local policy-makers.³⁰

²⁹Part of the politics of dissertation-writing entails having the common sense to use models proposed by one's thesis director.

³⁰Kenneth Prewitt, "Political Ambitions, Volunteerism, and Electoral Accountability," American Political Science Review, LXIV (March 1970), pp. 5-17; Kenneth Prewitt, The Recruitment of Political Leaders: A Study of Citizen-Politicians (Indianapolis: The Bobbs-Merrill Company, Inc., 1970).

c. What makes tax leaders "tick" psychologically?

Can one relate differences in psychological orientations to differences in the revenue sources of municipal political economies? For instance, do leaders seem to be more timid and public-avoiding in some places than in others? "Do cities without much political muscle rely more on indirect rather than direct forms of financing?"³¹ How do differences in the tax leadership's motivations, preferences, attitudes, and perceptions relate to differences in reliance on the local sales tax? Can one detect, for example, differences in perceptions of the general political/civic culture and the community "tax climate"? Several authors contend that "style of life" and cultural traditions probably hold the key to understanding tax and revenue outcomes.³² Do tax leaders differ from place to place in attitudes toward and about constituents? Do they differ in motivations for assuming tax leadership? Why do tax-proposing leaders associate themselves with a highly visible and traditionally unpopular political cause? Meltsner

³¹Meltsner, The Politics of City Revenue, p. 284.

³²Boskoff and Zeigler, Voting Patterns in a Local Election, pp. 138-144; David, "A Comparative Study of Tax Preferences"; Clara Penniman, "The Politics of Taxation," in Politics in the American States--A Comparative Analysis, ed. by Herbert Jacob and Kenneth N. Vines (2d ed.; Boston: Little, Brown and Company, 1971), pp. 520-555.

argues that they "join the cause" most unwillingly, that they try at all costs to avoid the tax-increase question. But the large number of Oklahoma cities which have adopted the local sales tax indicates that this is not always the case. At any rate, one can find an extensive literature on various types of motivation to participate in public affairs.³³ For the purposes of this study, however, Prewitt poses a particularly intriguing question: "Might not the leaders, since they know so much more about how the community is managed and so much more about its problems, come to believe that they know more about how it should be governed?"³⁴ Finally, how do the leaders' tax-related attitudes and preferences compare with their perceptions of the citizens' attitudinal set? Are differences in sales tax reliance levels somehow associated with varying degrees of perceived congruence between their own and the public's attitudes?

d. Does political structure, e.g., council-manager vs. mayor-council form of government, seem to make any difference in the tax and revenue attitudes and policy-making approaches

³³For a good introduction to the topic, see Wendell Bell, Richard J. Hill, and Charles R. Wright, Public Leadership: A Critical Review with Special Reference to Adult Education (San Francisco: Chandler Publishing Company, 1961), Chapter 8.

³⁴Prewitt, The Recruitment of Political Leaders, p. 207. (Italics his.)

of local leaders? According to most of the literature on the subject, the city manager tends to be highly influential in tax and revenue policy-making.³⁵ This suggests that a city manager/non-city manager framework might prove useful for analysis. One might, for example, examine tax and revenue information-gathering and dissemination processes. Do city managers' tax attitudes, information, and innovative ideas tend to come through professional lines of communication connecting managers across the state and nation?³⁶ If this is the case, do other tax leaders tend to take their own policy cues more from professionally diffused innovative information than from appraisals of constituency opinion? In short, do the leaders'

³⁵ See, for instance, Meltsner, The Politics of City Revenue, Chapter 2; or, more generally, Ronald O. Loveridge, City Managers in Legislative Politics (Indianapolis: The Bobbs-Merrill Company, Inc., 1971).

³⁶ For exploratory study along these lines, see Jack L. Walker, "Innovation in State Politics," in Politics in the American States, ed. by Jacob and Vines, pp. 354-387; Jack L. Walker, "The Diffusion of Innovations among the American States," American Political Science Review, LXIII (September 1969), pp. 880-899. An interesting study of the spread of the city sales tax in Oklahoma is Don K. Lange, "Patterns of Adoption of the City Sales Tax in Oklahoma" (unpublished research paper, Department of Political Science, University of Oklahoma, July 1972). Perhaps the most definitive recent work on the theoretical aspects of the diffusion of innovation is Everett M. Rogers, with F. Floyd Shoemaker, Communication of Innovations--A Cross Cultural Approach (2d ed.; New York: The Free Press, 1971).

attitudes and information-gathering processes differ according to city manager/non-city manager form of government? Indeed, do the managers themselves differ in their policy-related attitudes and behavior? And can one relate the answers to such questions to differences in actual tax and revenue policy-making and policy outcomes?

Methodological Overview

In subsequent chapters, I discuss specific research techniques and problems in somewhat greater detail. But at this point, I want to comment briefly on what information I collected, how and why it was gathered, and how it has been used.

Initially, I devoted some time to library research on such background factors as the economic theory of taxation and the general setting and impact of taxation both nationwide and in Oklahoma. This effort led me to investigate precedents, traditions, and constitutional/legal provisions associated with state and local taxation in Oklahoma. Before long, however, I decided to give these matters only passing attention. Several factors influenced this decision. First, I was primarily interested in the political psychology of local tax leadership and therefore wanted to avoid becoming bogged down in complex areas of scholarship which are

important but nonetheless peripheral to my topic. Second, these areas are well covered in other sources. And third, some of the information--particularly that dealing with statistics on taxes and revenues--is both misleading and contradictory from one source to the next. Accordingly, the reader will find little or no discussion of such esoteric subjects as tax equity, burden, incidence, and shifting, and a somewhat superficial treatment of tax and revenue statistics, constitutional/legal constraints, and historical traditions and precedents. I believe, however, that the information presented provides an adequate backdrop for the subsequent analysis.

As indicated earlier, I wanted to explore differences in reliance on the local sales tax in Oklahoma. Hence, my next step was to draw samples of Oklahoma municipalities with each of the three possible sales tax rates.

After familiarizing myself with municipal financial documents and the rudiments of the accounting procedures used to produce them, I then collected raw data on the gross receipts of the cities and towns in the sample. I had originally intended to study the finances of the municipalities over a ten-year period so as to obtain something of a "before and after" perspective on the city sales tax. But serious limitations on the availability of documents soon forced me

to restrict this part of the research to data for fiscal year (FY) 1972 alone.

Next, I classified and scaled the financial data according to a simple and somewhat arbitrary scheme designed to illustrate the political economy of municipal taxes and revenues in Oklahoma. To accomplish this, I had to vary a great deal from the municipal revenue classification systems which one ordinarily encounters. And political scientists, as well as accountants and economists, might take me to task for the sorting system which I used. Nevertheless, I believe that the results of this effort do in fact help to show politically oriented variations in reliance on different revenue sources.

Once I had completed this part of the analysis, I sent a fairly long questionnaire to public officials in the cities in the sample. The questionnaire was designed primarily to probe the officials' beliefs about community traditions and culture, attitudes on current tax and revenue matters, and perceptions of their constituents' tax-related knowledge, attitudes, and opinions.

I then correlated some of the data from the questionnaires with the information which I had obtained from the analysis of municipal financial documents. I used the rest of the questionnaire data to explore a variety of psychological factors which seem to bear on the local tax policy formulation

process. The results of this effort provided interesting and oftentimes surprising insights into why some cities rely on the local sales tax more than others do.

To round out the study, I wanted to get a firsthand look at tax-proposing leaders in action. Accordingly, I decided to do observations of two typical but sharply contrasting cities during the final week or so before a sales tax referendum. My main interest was to examine the psychology of tax-proposing leadership "under pressure," so to speak, and thus to avoid the perceptual screening which would inevitably occur after the campaign and election. Since both of the cities studied were in my sample, the public officials there completed the questionnaire. In addition, I conducted fairly lengthy interviews with them and with a cross-section of civic leaders reputed to be active in the sales tax campaign. The interview schedule contained questions designed to get at sources and diffusion of tax and revenue information; motives for assuming tax-proposing leadership; perceptions of community climate; and similarities and differences between the interviewees' tax-related beliefs, attitudes, and opinions and their perceptions of the citizenry's tax-related attitudinal set. In between interviews, I used both on-the-spot observation and documentary analysis to cross-check the

results obtained from the interviews. This entailed such things as observing campaign tactics; attending city council and civic organization meetings; and examining city council meeting minutes, newspaper accounts, and municipal financial and election records. I was particularly interested in evidence indicating whether or how tax-proposing leaders modify their behavior as a result of perceived attitudinal differences with the general public.

These campaigns, though not directly used in my analysis, greatly improved my understanding of the other data which I had obtained. This part of the study proved to be extremely useful in tying up a number of "loose ends" which had appeared during the analysis of the financial and questionnaire data which I had gathered earlier. The observations also provided valuable insights into the relationship between tax-proposing leadership activities and electoral turnout and outcome.

Summary

Although local taxation represents a socially relevant problem dealing with authoritative allocations of values, political scientists have largely ignored the topic--focusing instead on the expenditure side of subnational government finance and leaving tax and revenue matters to scholars in

other disciplines. Recently, however, a few political scientists have done some work in this area. The results which they have obtained raise a number of questions about the part played by municipal leaders in the tax and revenue policy process, particularly with respect to constituency relations. Accordingly, this exploratory study attempts to address some of these questions. Municipalities in Oklahoma seem to offer an excellent setting for such a study because they have local sales tax rates varying from 0 to 2 per cent and therefore vary in their reliance on the tax. Since Oklahoma law requires voter approval of local sales tax levies, these differences in tax reliance may well relate to differences in tax leaders' attitudes, perceptions, and behavior. The research design for exploring this matter entails classification and analysis of financial data from a sample of cities with each of the three possible tax rates and a questionnaire survey of public officials in these cities. Observations of tax-proposing leadership just before two local sales tax referenda supplement the research design.

Subsequent chapters report the results of this research effort. In particular, Chapter II outlines something of the background and setting of the local sales tax in Oklahoma and analyzes municipal financial data for possible political

implications. It seeks to answer the questions raised about certain predispositional factors in the local tax and revenue polity process. Chapter III looks at some predispositional socialization characteristics of municipal officials to see how they relate to differences in sales tax reliance. Chapter IV examines how municipal tax leaders' attitudes, preferences, and perceptions relate to differences both in degree of reliance on various sources of revenue and in the sales tax rate. Chapter V explores whether governmental structure--specifically, city manager/non-city manager status--relates in any significant way to differences in officials' attitudinal set. This chapter also discusses city managers' responses to some additional questions concerning their views on professionalism, diffusion of tax and revenue innovations, and policy-making role. And finally, Chapter VI summarizes the implications of the findings, offers some policy recommendations for local tax leaders elsewhere, and suggests areas for future research--drawing on observations made during two sales tax election campaigns to illustrate many of the problem areas which merit further study.

CHAPTER II

THE POLITICAL ECONOMY OF MUNICIPAL REVENUE

The Revenue Setting

A sizable body of literature focuses on the problems facing the residents of the large urban or metropolitan areas throughout the country. This is understandable since the 1970 census figures reveal that 73.5 per cent of the American people live in areas classified as urban. Yet this impressive fact tends to obscure another, viz., that incorporated cities of less than 50,000 population, unincorporated parts of urbanized areas, and rural "places" of 2,500 or less account for almost 87 million persons or 42.8 per cent of the total United States populace.¹ This suggests, in turn, that a great many Americans live in cities and towns with a different, still somewhat rural perspective on the problems of urban life. As compared with the larger cities, these small and medium sized municipalities frequently confront problems every bit as difficult to resolve--given the resources available to them. And perhaps their most

¹U.S., Bureau of the Census, Statistical Abstract of the United States: 1972 (93rd ed.; Washington, D.C.: U.S. Government Printing Office, 1972), p. 17.

critical problem of all is securing enough financial resources to meet demands for services.²

The cities and towns of Oklahoma seem to fit this pattern. According to 1970 census figures, only four cities in the state have a population exceeding 50,000, whereas 361 or 64 per cent of the 560 municipalities have fewer than 1,000 inhabitants. Of a total state population of approximately 2.5 million, only about 825,000 citizens reside in the four largest cities.³ From these data, one might speculate that local political leaders and average citizens throughout much of the state have distinctly rural outlooks and values. And much of the literature dealing with local politics indicates that such a value system includes a low-tax ideology.⁴ This problem receives considerable attention in later chapters. But for the moment, let it suffice to point out that financial

²Walter F. Scheffer, "Problems in Municipal Finance," Western Political Quarterly, XV (September 1962), pp. 522-523.

³U.S., Bureau of the Census, Census of Population: 1970, Vol. I, Characteristics of the Population, pt. A, Number of Inhabitants, sec. 2, Missouri-Wyoming, Puerto Rico, and Outlying Areas (Washington, D.C.: U.S. Government Printing Office, 1972), p. 38-9.

⁴See, for example, Arthur J. Vidich and Joseph Bensman, Small Town in Mass Society: Class, Power and Religion in a Rural Community (rev. ed.; Princeton, New Jersey: Princeton University Press, 1968). Apparently officials in larger cities hold similar views. See Arnold J. Meltsner, The Politics of City Revenue (Berkeley: University of California Press, 1971).

statistics suggest that in Oklahoma, tax policy seems to reflect such an ideology. In FY 1967, for example, Oklahoma ranked 27th among the 50 states and the District of Columbia in total state and local revenue and 29th in total state and local tax revenue. On a per capita basis, Oklahoma ranked 39th in its use of state and local taxes as a source of general revenue.⁵ Taxes of local governmental entities throughout the nation amounted to some 45 per cent of total local revenue from all sources; in Oklahoma, local taxes yielded about 39 per cent of the total.⁶ And most important--for this study, at least--city taxes accounted for some 44 per cent of all municipal revenue in the nation, whereas in Oklahoma,

⁵U.S., Bureau of the Census, Census of Governments, 1967, Vol. VII, State Reports, no. 36, Oklahoma (Washington, D.C.: U.S. Government Printing Office, 1970), p. 8. Statistics for FY 1967 are somewhat dated, but are particularly useful for this study since they show the financial situation just as the first Oklahoma cities were beginning to collect the local sales tax. And at the state level, at any rate, the situation appears to have changed little. For instance, in FY 1972, Oklahoma ranked 37th among the states in collections of per capita state taxes. See Jack L. Robinson, "Facts and Figures on Oklahoma: Oklahomans Paying Less Taxes Than Most," The Sunday Oklahoman, Section A, October 14, 1973, p. 23.

⁶Computed from Tax Foundation, Inc., Facts and Figures on Government Finance, 1971 (16th biennial ed.; New York: Tax Foundation, Inc., 1971), Table 183, pp. 234-235.

comparable levies brought in only about 28 per cent of total municipal revenue.⁷

Constitutional/Legal Constraints

Fisher and Fairbanks observe that the political system, i.e., the framework for decision-making, results from past political decisions which have been translated into custom and law and which therefore put constraints on the policy behavior and strategies of political actors.⁸ As elsewhere, then, municipal tax and revenue policy in Oklahoma is closely related to state-imposed constitutional and legal constraints. These constraints and their impact on municipal revenue sources are well covered by Scheffer's article and a group of theses prepared by master's degree candidates in the Department of Regional and City Planning at the University of Oklahoma.⁹

⁷Computed from U.S., Bureau of the Census, Census of Governments, 1967, Vol. IV, no. 4, Finances of Municipalities and Township Governments (Washington, D.C.: U.S. Government Printing Office, 1969), p. 9; U.S., Bureau of the Census, Census of Governments, 1967, Vol VII, State Reports, no. 36, Oklahoma, Table 19, p. 26.

⁸Glenn W. Fisher and Robert P. Fairbanks, "The Politics of Property Taxation," Administrative Science Quarterly, XII (June 1967), pp. 49 and 51.

⁹Scheffer, "Problems in Municipal Finance"; Joseph Lee Rodgers, Jr., "Financing Small Cities in Oklahoma" (unpublished Master's thesis, University of Oklahoma, 1953); Forrest Glen Erickson, "The Revenue Patterns of Small Oklahoma Cities" (unpublished Master's thesis, University of Oklahoma, 1965);

Accordingly, this study does not go into the details of the provisions of the Oklahoma Constitution and the state statutes. Instead, it draws on the excellent analyses cited above to highlight the consequences of these provisions for municipal tax and revenue policy-making.

In general, constitutional/legal constraints on Oklahoma municipalities strongly discourage use of the property tax and deficit financing and just as strongly encourage public enterprise financing (especially through utilities) and a continuing quest for alternative sources of revenue.

In FY 1970, city-imposed taxes provided \$13.6 billion or about 42 per cent of all municipal revenues (\$32.7 billion). The property tax supplied \$9.1 billion or approximately 67 per cent of the tax revenue.¹⁰ The situation in Oklahoma, however, is quite different. To illustrate, Johnstone compiled revenue data on 44 Oklahoma cities in the population range 5,000-50,000.

William T. Johnstone, "An Analysis of Municipal Revenue for Selected Small Oklahoma Cities: Fiscal Year 1969-70" (unpublished Master's thesis, University of Oklahoma, 1971); Phillip Simon, "The Legal Implications of Financing the Municipal Operations in Oklahoma" (unpublished Master's thesis, University of Oklahoma, 1964); Louis Douglas Halley, "Municipal Trust Financing in Oklahoma" (unpublished Master's thesis, University of Oklahoma, 1964).

¹⁰U.S., Bureau of the Census, City Government Finances in 1969-70, Series GF-70, no. 4 (Washington, D.C.: U.S. Government Printing Office, 1971), Table 1, p. 5. Percentages computed.

He found that in FY 1970 property taxes produced less than 14 per cent of the total revenue of the cities studied.¹¹ Constitutional/legal constraints largely account for the striking difference between the percentage for the nation and that for Oklahoma. For all practical purposes, state law excludes most cities and towns from any meaningful share of property taxes for current operations, restricts property tax financing to capital improvements, and permits low property valuations. In addition, Oklahoma municipalities must run their current operations on a cash basis, and they must, in general, limit bonded indebtedness for capital improvements to 5 per cent of assessed valuation--the notable exception to this limitation being indebtedness for public utilities. Finally, city and town governments may issue no revenue bonds.

The results of these constraints are predictable. Whereas property taxes are far less important to Oklahoma cities than they are to cities in other parts of the country, utilities are much more important revenue sources than they are elsewhere. In FY 1970, nationwide, utility revenue amounted to \$5.0 billion or approximately 15 per cent of the \$32.7 billion

¹¹Johnstone, "An Analysis of Municipal Revenue . . .," p. 106. As will be shown later in this chapter, the 14 per cent figure is probably too high.

total.¹² For the same period, Johnstone found that utilities in his sample of 44 Oklahoma cities produced some 45 per cent of total revenue.¹³

In addition to encouraging Oklahoma cities and towns to rely heavily on utilities, constitutional/legal provisions also allow city officials to expand public enterprise activities through municipal public trust financing. The trust, authorized by overlapping and somewhat contradictory legislation in 1951 and 1961, serves as a device for circumventing restrictions on issuing revenue bonds to finance capital improvements, particularly utilities.

The city council can create the trust authorities, composed of city officials or others, who act as trustees for the beneficiary, that is, the city. These authorities, according to the terms of their incorporation, have the power to issue bonds for the particular purpose for which they were created [e.g., building or improving electrical power plants, water and sewer facilities, airports, hospitals] and to provide the method of payment from the property or operation of the trust.¹⁴

In other words, the city establishes a governmental corporation "outside" of city government to develop or expand familiar and productive revenue sources, viz., public enterprises. The

¹²U.S., Bureau of the Census, City Government Finances in 1969-70, Table 1, p. 5. Percentage computed.

¹³Johnstone, "An Analysis of Municipal Revenue . . .," p. 106.

¹⁴Scheffer, "Problems in Municipal Finance," p. 532.

municipal public trust, ordinarily run by city officials "wearing other hats," escapes the constitutional/legal restrictions on indebtedness and revenue bonds. Through it, accordingly, officials get around a lack of funds as well as voter antipathy toward additional bond issues and higher property taxes by issuing revenue bonds to pay for public enterprise capital improvements. Revenue from the public enterprise retires the indebtedness, and any profits go into further improvements or--as is often the case--the general operating fund of the city.

In passing, one should also note that local officials often use trust arrangements in conjunction with grants-in-aid, various "nickel 'n dime" operations, and the recently authorized city sales tax.

State and Local Sales Taxes

"Without question, the most important individual revenue source added to Oklahoma municipal revenue listings in recent times has been the [city] sales tax."¹⁵ In a sense, the local sales tax represents the offspring of a generally happy marriage between tradition and constraints. Accordingly, its background and development deserve some attention.

¹⁵Johnstone, "An Analysis of Municipal Revenue . . .," p. 111.

A Short History of the Sales Tax

In the United States, the federal government has never used the retail sales tax, and this particular levy has developed as a grassroots phenomenon.¹⁶ Little influenced by sales tax experiences in other nations, it represents the first significant use of retail sales taxation in the world.

The forerunner of the American sales tax was a low-yielding business occupation tax levied by several states--notably Pennsylvania, Virginia, and Delaware--in the 19th century. In 1921 and 1930 respectively, West Virginia and Mississippi imposed higher-yielding, multiple-stage business occupation taxes. But these levies were economically discriminatory and administratively complicated. Consequently, they never proved to be major revenue-raisers and soon were largely superseded by the retail sales tax.

The Great Depression of the 1930s precipitated the rapid spread of the state sales tax, with 29 states--led by Mississippi--adopting it between 1932 and 1937. On the revenue side, the depression reduced existing-tax yields and stiffened

¹⁶Except as otherwise noted, the discussion in this section relies on John F. Due, Sales Taxation (Urbana: University of Illinois Press, 1957), Chapters 14 and 15; John F. Due, with a chapter on local sales taxes by John L. Mikesell, State and Local Sales Taxation--Structure and Administration (Chicago: Public Administration Service, 1971), Chapters 1 and 10.

opposition to rate increases. At the same time, expenditures for participation in federal relief programs tended to rise. In addition, local government financial difficulties necessitated larger state grants to localities and brought pressures on the states to reduce their reliance on the property tax. Left with few major sources for additional revenues, many states quickly embraced the sales tax, which combined the attractive features of a seemingly low rate, a large yield, and a relatively painless and easily administered collection system.

Chiefly because of the prosperity of the war years, no more states adopted the sales tax from 1937 to 1947. But almost immediately after the war, the sales tax movement revived as state tax yields lagged behind inflation-produced cost increases and steadily expanding demand for more services. Accordingly, by 1971 only five states (Alaska, Delaware, Montana, New Hampshire, Oregon) were still without a sales tax. In 1970, these five states had only about 2 per cent of the total population of the nation. Thus roughly 98 per cent of the population--and of sales--came under some sort of state sales tax at that time. This situation was still in effect in the early part of 1973.¹⁷

¹⁷Prentice-Hall, Inc., State and Local Tax Service, All States Unit, March 6, 1973 (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1973), p. 105. (Looseleaf.)

At present, the retail sales tax represents the single most important source of state tax revenue. In FY 1971, it yielded some \$15 billion to state governments. This amounted to 30 per cent of total state tax revenues.¹⁸

As with state sales taxes, the local sales tax has developed and spread as a result of the financial difficulties of the 1930s, inflationary pressures, rising demands for governmental services, reluctance to raise existing tax rates, and dissatisfaction with the property tax.¹⁹ New York City pioneered the city sales tax in 1934, and New Orleans followed suit a couple of years later. Several states authorized the levy in the 1940s and 1950s. During this period, Mississippi introduced state administration of local sales taxes--a technique greatly facilitating effective use of the tax. The sales tax spread most rapidly in the 1960s, when 12 more states authorized it. By early 1971, the local sales tax was either

¹⁸John F. Due and Ann F. Friedlaender, Government Finance: Economics of the Public Sector (5th ed.; Homewood, Illinois: Richard D. Irwin, Inc., 1973), pp. 208-209.

¹⁹Interestingly, despite the relative "popularity" of the retail sales tax in relation to the property tax, the two levies are at least "kissin' cousins" in an economic sense. As Herber observes: "If the tax base is defined in terms of the monetary value of the purchased item or items, like state retail sales taxes, the tax is ad valorem in nature." Bernard P. Herber, Modern Public Finance: The Study of Public Sector Economics (rev. ed.; Homewood, Illinois: Richard D. Irwin, Inc., 1971), p. 197.

in use or authorized in 25 states. At that time, an estimated 2,652 local government entities (2,178 municipalities and 474 other units) were collecting some sort of sales tax.²⁰

Although the property tax remains the mainstay of local government tax revenue across the nation, the local sales tax is quite important. According to one estimate, for example, municipalities--the chief users of the local sales tax--derive about 11 per cent of their revenues from this source. Indeed, some cities, e.g., Phoenix, Arizona, obtain up to 45 per cent of their revenue from the sales levy.²¹

The Municipal Sales Tax in Oklahoma

Until a few years ago, the city sales tax had no impact in Oklahoma because none was authorized. This situation represented but another part of the constitutional/legal constraints which forced Oklahoma cities and towns to derive their revenue mainly from public enterprises such as utilities. At the same time, rising costs and expenditures necessitated a search for additional sources of revenue. In Oklahoma as

²⁰These figures are calculated from Mikesell's Table 10.3, pp. 300-303, of State and Local Sales Taxation. Another author indicates that about 3,000 localities were imposing a sales tax in 1970. See Willard A. Heaps, Taxation, U.S.A. (New York: The Seabury Press, 1971), p. 54.

²¹Due and Friedlaender, Government Finance, p. 211.

elsewhere, however, local officials had few truly new revenue sources available to them.²² At this point, the long, pioneering tradition of state-level sales taxation entered the picture. In 1965, the state legislature authorized Oklahoma municipalities to take advantage of this tradition, and since that time, a great many of them have done so. This move has given local officials a new source of revenue; it has also taken advantage of the conventional wisdom that the public is more likely to accept a seemingly small increase in an old tax than the imposition of a new one. In short, at the local level in Oklahoma, the city sales tax represents a "new" old tax.

With voter approval, Oklahoma cities and towns may levy a state-administered²³ local sales tax up to the rate permitted to the state (2 per cent). Beginning with adoptions in the Oklahoma City area which became effective in January 1966, the city sales tax has spread rapidly across the state. The cumulative fiscal year totals of cities and towns receiving

²²F. L. VanVoorhees, The Citizen and Taxes (Kalamazoo: The Institute of Public Affairs, Department of Political Science, Western Michigan University, 1968), p. 43.

²³State administration is actually at local option, but thus far, all cities passing the tax have chosen to use the services of the state.

disbursements from the Oklahoma Tax Commission²⁴ are as follows:

1966-----	13
1967-----	38
1968-----	87
1969-----	151
1970-----	215
1971-----	253
1972-----	279
1973-----	292
1974 (four months)-----	309

As of November 1, 1973, only 15 municipalities of 1,000 or more population were not levying a local sales tax. In 37 cities, voters had approved sales tax referenda raising their local rate to 2 per cent and their combined state and city sales tax to a total of 4 per cent. Data on rejections are not available. But the information director of the Oklahoma Tax Commission estimates that the rejection rate has declined from somewhat less than 50 per cent of all referenda in the early years to a current rate of approximately 10 per cent.²⁵

²⁴Municipalities begin receiving payments two months after their tax has become effective or, generally, about three months after voter approval.

²⁵Oklahoma, Tax Commission, Information/Research Section, "City Sales Tax Collections: Fiscal Year 1965-1966 through Fiscal Year 1972-1973," Oklahoma City, n.d. (Mimeographed.); Oklahoma, Tax Commission, news release, October 12, 1973 (Mimeographed.); Henry Ayres (information director, Oklahoma Tax Commission), interview held in his office, Jim Thorpe Building, Oklahoma State Capitol Complex, Oklahoma City, Oklahoma, November 1, 1973.

The city sales tax has proved to be a lucrative source of revenue for Oklahoma municipalities. Statewide receipts (after the state collection fee of 2.5 per cent for cities with a 1 per cent levy and 1.5 per cent for those with a 2 per cent rate) by fiscal year are as follows:

1966-----	\$ 2,576,535.34-----	13 cities
1967-----	12,298,430.70-----	38 cities
1968-----	22,893,188.61-----	87 cities
1969-----	28,532,677.47-----	151 cities
1970-----	33,575,917.65-----	215 cities
1971-----	38,375,357.27-----	253 cities
1972-----	50,797,061.54-----	279 cities
1973-----	62,564,945.43-----	292 cities ²⁶

The local sales levy certainly seems to be increasing in importance in relation to other revenue sources, too. Johnstone, for instance, found that as early as FY 1970, the sales tax ranked second only to utilities as a producer of revenue--raising over 17 per cent of the total revenue of the 44 cities which he surveyed (only five of which did not have a local sales tax at the time).²⁷

The discussion thus far suggests that several factors combine to encourage Oklahoma municipalities to adopt the local sales tax. It offers a means of getting around constitutional/legal constraints, fits nicely into the tax traditions of the

²⁶Oklahoma, Tax Commission, Information/Research Section, "City Sales Tax Collections."

²⁷Johnstone, "An Analysis of Municipal Revenue . . .," p. 83.

state, appears to meet relatively little voter opposition overall, and provides a new and lucrative source of revenue. Given these circumstances, one might suppose that most city officials would agree with Mikesell:

If the local government is going to have responsibility for raising revenue, it might as well use an effective tax. The local sales tax, especially in the form of a local supplement administered by the state, is just such a tax.²⁸

And, indeed, several cities have taken full advantage of the fiscal opportunities which the tax affords. At the same time, however, many municipalities either have not opted for the city sales tax or have limited their usage of it. As an initial step in trying to account for these differences in reliance on the local sales tax in Oklahoma, the remainder of this chapter attempts to explore the economy of local public revenue from a political perspective.

The Political Economy of Oklahoma Municipalities

Conceptual and Methodological Approach

Engelbert notes that political scientists have disregarded the politics of local taxation largely because "the subject falls in a twilight zone between economics and political science so that neither discipline has given it the attention

²⁸John L. Mikesell, "Local Sales Taxes in North America," Municipal Finance, XLIII (February 1971), p. 140.

which it deserves."²⁹ This statement is true but misleading. Although political scientists have undeniably neglected the topic, economists have been studying it extensively. Unfortunately, however, the latter tend to approach the political process as an exercise in abstract model-building. Consequently, they produce a political system populated with self-interested voters trying to satisfy individual public-goods preference schedules and responsive political leaders seeking to maximize vote-garnering ability and reelection chances.³⁰ Most political scientists would find such a model vastly oversimplified and conceptually undernourished, particularly at the local level.

Having captured the theoretical field, the economists have been in a good position to more or less dictate the

²⁹Ernest A. Engelbert, "The Political Aspects of Real Estate Taxation in Relation to Metropolitan Growth and Planning," in Land and Building Taxes; Their Effect on Economic Development, ed. by Arthur P. Becker (Madison: The University of Wisconsin Press, 1969), p. 99.

³⁰See, for example, the discussions in Herber, Modern Public Finance, Chapter 5, and Due and Friedlaender, Government Finance, Chapter 3. For more specifically political analyses along these lines, see Anthony Downs, An Economic Theory of Democracy (New York: Harper & Brothers, Publishers, 1957); James M. Buchanan and Gordon Tullock, The Calculus of Consent: Logical Foundations of Constitutional Democracy (Ann Arbor: The University of Michigan Press, 1962); Robert L. Bish, The Public Economy of Metropolitan Areas (Chicago: Markham Publishing Company, 1971); L. L. Wade and R. L. Curry, Jr., A Logic of Public Policy: Aspects of Political Economy (Belmont, California: Wadsworth Publishing Company, Inc., 1970).

format of empirical analysis. In other words, tax and revenue data tend to be sorted out and analyzed by categories oftentimes more meaningful to economists and accountants than to political scientists. For example, one can see this quite clearly in the broad aggregate categories used in U.S. Bureau of the Census publications dealing with local tax and revenue data. Yet as Meltsner aptly observes:

The social scientist who treats urban revenue in terms of aggregates, such as property tax and "other," will miss most of the action. Local revenue decisions are in the category of "other."³¹

Meltsner seems to indicate that the political scientist would benefit from a politically oriented classification and analysis of municipal taxes and revenues. With such information, he could perhaps better appreciate the extent to which tax and revenue sources are related to policy decisions such as those concerning differences in reliance on the local sales tax. This would appear to be a worthwhile effort, for, as Williams and associates point out, such decisions represent "a distinct and significant form of political choice."³²

³¹Meltsner, The Politics of City Revenue, p. 23. On pp. 19-37, Meltsner skillfully describes the varieties and complexities of city revenue in Oakland.

³²Oliver P. Williams et al., Suburban Differences and Metropolitan Policies: A Philadelphia Story (Philadelphia: University of Pennsylvania Press, 1965), p. 163.

Defining policy as "the relationship of a governmental unit to its environment," Eyestone argues that one specifies the policy of a city by determining how it relates to its environment along explicit and limited dimensions.³³ Accordingly, any sort of theory-building approach to municipal tax and revenue policy might concern itself with the interrelationships of such things as varying sales tax rates, relative reliance on various sources of revenue, governmental policy roles (e.g., Williams and Adrian's typology: economic growth, amenities, small government, arbitration),³⁴ and the attitudinal set of policy-makers.

With this general theoretical guidance in mind, I then "wallowed around in the data" for a while. As a first step, I drew a sample of politically relevant cities--defined here as those with a population of over 1,000--stratified according to sales tax rate as of June 30, 1972, the latest date for which relatively complete financial records were available. At that time, 15 Oklahoma cities were collecting a 2 per cent local sales tax. Since these cities seemed especially important to

³³Robert Eyestone, The Threads of Public Policy: A Study in Policy Leadership (Indianapolis: The Bobbs-Merrill Company, Inc., 1971), p. 18.

³⁴Oliver P. Williams and Charles R. Adrian, Four Cities: A Study in Comparative Policy Making (Philadelphia: University of Pennsylvania Press, 1963), pp. 22-31.

the analysis, I included all of them except Tulsa in one subsample--Tulsa being excluded because its large size and complex political system made it atypical of Oklahoma cities and their politics. At the other end of the tax rate spectrum, some 28 cities and towns were levying no municipal sales tax. To balance off the 14 2 per cent cities, I used a table of random numbers to select one-half of these 0 per cent municipalities for a second subsample. Finally, a third subsample of 16 1 per cent sales tax cities (likewise selected through a table of random numbers) brought the total sample to 44 cities. As with Tulsa, I omitted Oklahoma City from the universe of 1 per cent cities because of its large size and unusual political complexity.

Next, I spent some time going over municipal financial documents on file with the State Board of Equalization at the capitol in Oklahoma City. I not only needed to acquaint myself with municipal accounting procedures, but also wanted to look for recurring patterns of revenue-raising which seemed to have political policy and leadership implications. And after a few days of this sort of work, I concluded that Oklahoma municipal revenues tended to fall into four major categories with possible policy and leadership connotations:

- (1) Direct impact taxes. This category isolates those levies which have a high political visibility and presumably

impact directly on local pocketbooks and, particularly, on political perceptions. Although it includes the little-used municipal property tax, it mainly reflects reliance on the local sales tax.³⁵

(2) Sales and services. As noted earlier, all Oklahoma cities rely heavily on public enterprises, especially utilities. This category expands the public enterprise concept to include all sales of public goods and services which the cities and towns have chosen to handle themselves rather than to turn over to private enterprise. The bulk of the revenues in this class comes from sales of electricity, water, and sanitation services. But appreciable amounts are derived from such diverse "entrepreneurial" activities as sales of cemetery plots, rentals of municipal property, fire protection services provided to rural residents and other localities, swimming pool and park operations, weed-cutting, and--to cite one fascinating entry-- "agriculture."

(3) Intergovernmental grants and transfers. Revenues from grants-in-aid and tax-sharing are becoming increasingly important to local governments. But some Oklahoma municipalities

³⁵Economists call the retail sales tax an indirect tax because it is collected from businesses selling goods and services and then is shifted forward to purchasers. But I am including it in this category because I am interested in the political and perceptual, not the economic, impact of the sales tax.

rely on such revenues more than others do. Practically all the cities and towns share in state taxes on alcoholic beverages, gasoline, and commercial vehicles, for instance. Many get state assistance for police and fireman pension funds. But a few stand out with respect to obtaining small amounts of county-controlled property tax money and oftentimes sizable special grants from the state and federal governments. The revenues in this category come chiefly from the sources noted in this paragraph.

(4) Indirect charges and revenues. Relatively few cities obtain appreciable amounts from this residual "nickel 'n dime" category. But this class does contain an almost limitless variety of sources. The revenues tend to come from "hidden" charges and taxes, e.g., sewer tap fees; levies discriminating against special groups of citizens, e.g., fines for lawbreakers, licenses for pet owners and business operators; "fringe benefits" of revenues in the other categories, e.g., interest on invested grant money; and the inevitable "miscellaneous" entry.

Having developed this admittedly rough but at least politically functional classification scheme, in late 1972 I started collecting and categorizing raw data in accordance with the sources and amounts of revenue coming into the three groups

of cities in the sample. Since Oklahoma cities must, by law, conduct current operations on a cash basis, I attempted to obtain information on each city's FY 1972 gross receipts from all sources. Once categorized, such data would, I hoped, present a picture of the relative reliance on different types of revenue passing before and standing out in the mind's eye of city officials in the municipalities making up each of the three tax rate groups. And this information, in turn, might well reveal consistencies among cities in each group which I could later relate to officials' motives, opinions, perceptions, preferences, and policy orientations. As Williams and associates observe:

If all municipalities were so specialized that each was sui generis, generalizations about municipal characteristics and political responses could not be attempted. However, there are certain regularities among municipalities, which, through classification and analysis, can be related to the manner in which they define their policies and react to their environment.³⁶

These words of scientific inspiration sounded great when I first read them long ago. But the difficulties which I encountered in actual data collection and classification make me wonder whether meaningful classification of tax and revenue information is really possible--or, indeed, worth the effort!

³⁶Williams et al., Suburban Differences and Metropolitan Policies, p. 73.

For instance, by state law, all Oklahoma municipalities have annual statements of financial condition on file at the state capitol. These documents offer a good starting point for analyzing municipal revenues, and previous research in this area has tended to rely on them almost exclusively.³⁷ Such an approach, however, creates numerous problems in classification and produces misleading analytical results as well. For example, the financial statements have more than 20 preprinted uniform categories for reporting revenue. But they also have many blank spaces for listing additional revenue sources. These blank spaces permit those completing the statements to indulge in a form of fiscal "creative writing" which effectively obscures the source(s) of revenue for many entries. How, for instance, is one to interpret an entry such as "translator fund"? Or what is to be done with \$164,710.93 of "miscellaneous" funds--a single entry accounting for more than 5 per cent of one city's total revenue? Such problems pale into insignificance, however, when compared with the difficulties of sorting out and eliminating reserves carried over from previous reporting periods, duplications resulting from inter-fund transfers, and so on. But the worst part of all about

³⁷See, for example, the Rodgers, Erickson, and Johnstone theses cited in footnote 9 of this chapter.

the financial statements is that they oftentimes omit vast sums of money flowing into city coffers through such vehicles as municipal public trusts and assorted pension and trust funds. To obtain relatively accurate information on such monies, one must analyze city audit reports and separate municipal trust audit reports. Unfortunately, at any given time, many of these documents will not be on file at the state capitol despite the requirements of state law.³⁸ Accordingly, the researcher must devote many hours (and dollars!) to seemingly endless attempts to borrow such documents from suspicious local officials if he wants to obtain a fairly complete picture of the finances of numerous Oklahoma municipalities. And in spite of all these efforts, some gaps in coverage will still remain. In a few cases, omissions can be covered to some degree by extrapolating data from reports for previous fiscal years--a technique used occasionally in conducting this research.

Basically, I wanted to get at the gross amounts which city officials were handling in one way or another. But I also wished to establish a sort of "current or usual operations"

³⁸For example, I found some documents on file with the Oklahoma Municipal League, Oklahoma City, which were not available at the state capitol. And, incidentally, since municipal public trusts are corporations, the trust audit reports which are available are filed with the State Corporation Commission, not the State Board of Equalization--a constitutional/legal constraint on scholarly research!

context for municipal revenue. As a result, I had to exclude a few revenue sources from the final tallies. For example, only a few of the cities in the sample had hospital trusts or other forms of municipal hospital financing. Consequently, I omitted hospital receipts to avoid tremendously inflating the gross receipts of some cities. I applied the same sort of reasoning to the few cities which happened to get sizable proceeds from bond issues. Another excluded source was money received from liquidations of investments since such money represented revenue from earlier years and was practically always offset by immediate purchases of new investments. I did, however, include the profits from such transactions. Finally, for the sake of consistency, I adjusted the sales tax receipts of each tax-levying city to coincide with the amount which the Oklahoma Tax Commission returned to the city after deducting the state collection and administration fee. About two-thirds of the tax-collecting cities in the sample used this figure; the rest apparently entered gross tax receipts in their financial documents.

Such problems by no means exhaust the numerous difficulties of data collection and classification. I have devoted considerable space to them, not to bore the reader with "war stories," but to illustrate the limitations on the data base

and the reasons why this phase of the research consumed about four months of intensive and often frustrating effort. Overall, the results of this effort appear to be reasonably accurate, complete, and consistent. Nevertheless, Williams and Adrian's admonitions about municipal data seem to be a remarkably appropriate conclusion to this part of the discussion:

The data . . . were developed under conditions less than ideal. Anyone who has endeavored to work with municipal statistics should appreciate this fact. Municipal records are often poor and are rarely kept in uniform fashion. Central recording services . . . are not completely reliable. In the face of these odds the researchers can only report that they did the best they could.³⁹

Municipal Revenue in Political Perspective

To conclude the analysis, I summed the receipts falling into each city's four functional categories. I then computed the percentages of total receipts for each category. Tables 2-1, 2-2, and 2-3 indicate the relative importance of these revenue sources according to city sales tax rate. Finally, I arrayed the percentages in the 176 data cells of these three tables (44 cities times four categories = 176) from the lowest to the highest figure. Roughly one-third of the total number of items fell into each of the following ranges: 0-10 per cent,

³⁹Williams and Adrian, Four Cities, p. 225.

11-30 per cent, and 31-100 per cent. I designated these three ranges as low, medium, and high respectively. I used these ranges as a scale to see how cities with different sales tax rates vary in their reliance on the four categories of revenue. Table 2-4 shows these summarized variations.⁴⁰

With respect to Tables 2-1, 2-2, and 2-3, the percentages in the "direct impact taxes" category are derived mainly from city sales tax collections. The "direct impact" figures for the 0 per cent cities--reflecting only the property tax--are generally typical of property tax collections in the 1 per cent and the 2 per cent cities. This suggests that in Oklahoma the local sales tax contributes appreciably more to total municipal revenue than the 11 per cent national figure cited by Due and Friedlaender. Moreover, some Oklahoma cities are approaching the extreme 45 per cent reliance on the sales tax which these authors mention.⁴¹ In addition, the sales tax appears to be rapidly increasing its relative importance in the total municipal revenue picture. The "direct impact"

⁴⁰I arrayed the data this way rather than along four "within category" scales because I wanted to see how each revenue category of each city stacked up in relation to each of the various revenue categories of all the other cities in the sample. In passing, I might add that "within category" arrays do not change the reliance-ranking proportions a great deal in most cases.

⁴¹See footnote 21 of this chapter.

TABLE 2-1

REVENUE SOURCES AS PER CENT OF TOTAL, 14 OKLAHOMA MUNICIPALITIES
WITH 0 PER CENT LOCAL SALES TAX, FISCAL YEAR 1972
(1970 population in parentheses after each city)

Municipality	Direct Impact Taxes	Sales and Services	Inter- govt Revenue	Indirect Revenue	Total
Arkoma (2,098)	0%	44%	32%	24%	100%
Barnsdall (1,579)	0	60	27	12	99
Boise City (1,993)	9	38	43	9	99
Chouteau (1,046)	0	72	15	12	99
Cushing (7,529)	0	87	4	9	100
Edmond (16,633)	3	77	7	12	99
Fairview (2,894)	8	78	12	3	101
Geary (1,380)	0	81	9	10	100
Jones (1,666)	12	69	10	9	100
Mangum (4,066)	6	85	5	4	100
Okeene (1,421)	5	85	8	1	99
Pryor (7,057)	3	84	7	6	100
Ryan (1,011)	0	81	11	8	100
Walters (2,611)	0	78	16	7	101
Average	3	73	15	9	

NOTE: Percentages for some cities do not total 100 because of rounding.

SOURCE: Computed from statements of financial condition, city audit reports, and municipal public trust audit reports of the 14 cities.

Population figures taken from U.S., Bureau of the Census, Census of Population: 1970, Vol. I, Characteristics of the Population, pt. A, Number of Inhabitants, sec. 2, Missouri-Wyoming, Puerto Rico, and Outlying Areas (Washington, D.C.: U.S. Government Printing Office, 1972), pp. 38-10 through 38-13.

TABLE 2-2

REVENUE SOURCES AS PER CENT OF TOTAL, 16 OKLAHOMA MUNICIPALITIES
WITH 1 PER CENT LOCAL SALES TAX, FISCAL YEAR 1972
(1970 population in parentheses after each city)

Municipality	Direct Impact Taxes	Sales and Services	Inter- govt Revenue	Indirect Revenue	Total
Altus (23,302)	18%	69%	5%	8%	100%
Beggs (1,107)	22	10	50	18	100
Checotah (3,074)	28	42	20	10	100
Clinton (8,513)	30	42	11	18	101
Cordell (3,261)	36	24	25	15	100
Davis (2,223)	22	61	9	9	101
El Reno (14,510)	33	46	10	11	100
Guthrie (9,575)	24	42	13	21	100
Hominy (2,274)	9	76	6	9	100
Madill (2,875)	20	50	15	15	100
Midwest City (48,114)	33	45	6	16	100
Stigler (2,347)	28	34	25	13	100
Tahlequah (9,254)	13	60	21	6	100
Temple (1,354)	32	33	25	10	100
Tipton (1,206)	19	50	21	10	100
Wright City (1,068)	9	52	22	17	100
Average	23	46	18	13	

NOTE: Percentages for some cities do not total 100 because of rounding.

SOURCE: Computed from statements of financial condition, city audit reports, and municipal public trust audit reports of the 16 cities.

For source of population figures, see source note, Table 2-1.

TABLE 2-3

REVENUE SOURCES AS PER CENT OF TOTAL, 14 OKLAHOMA MUNICIPALITIES
WITH 2 PER CENT LOCAL SALES TAX, FISCAL YEAR 1972
(1970 population in parentheses after each city)

Municipality	Direct Impact Taxes	Sales and Services	Inter- govt Revenue	Indirect Revenue	Total
Anadarko (6,682)	17%	68%	7%	8%	100%
Henryetta (6,430)	25	38	25	12	100
Hugo (6,585)	36	28	12	24	100
Idabel (5,946)	27	35	20	19	100
Krebs (1,515)	23	53	12	12	100
Lawton (74,470)	34	41	9	16	100
McAlester (18,802)	22	22	50	6	100
Poteau (5,500)	33	19	43	5	100
Sand Springs (11,519)	32	44	10	14	100
Sayre (2,712)	32	42	13	13	100
Seminole (7,878)	38	33	9	20	100
Stilwell (2,134)	17	64	13	6	100
Talihina (1,227)	33	48	11	8	100
Waurika (1,833)	29	33	34	5	101
Average	28	41	19	12	

NOTE: Percentages for some cities do not total 100 because of rounding.

SOURCE: Computed from statements of financial condition, city audit reports, and municipal public trust audit reports of the 14 cities.

For source of population figures, see source note, Table 2-1.

TABLE 2-4

REVENUE RELIANCE RANKING BY SOURCE AND SALES TAX RATE, 44 OKLAHOMA MUNICIPALITIES, FISCAL YEAR 1972

Revenue Source and Reliance Ranking Are:		Sales Tax Rate							
		0%		1%		2%		Total	
		Cities		Cities		Cities			
		N	%	N	%	N	%	N	%
Direct impact taxes									
High		0	0	4	25	7	50	11	25
Medium		1	7	10	63	7	50	18	41
Low		<u>13</u>	<u>93</u>	<u>2</u>	<u>12</u>	<u>0</u>	<u>0</u>	<u>15</u>	<u>34</u>
Total		14	100	16	100	14	100	44	100
Sales & Services									
High		14	100	14	88	11	79	39	89
Medium		0	0	1	6	3	21	4	9
Low		<u>0</u>	<u>0</u>	<u>1</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>2</u>
Total		14	100	16	100	14	100	44	100
Intergovernmental revenue									
High		2	14	1	6	3	21	6	14
Medium		4	29	10	63	7	50	21	48
Low		<u>8</u>	<u>57</u>	<u>5</u>	<u>31</u>	<u>4</u>	<u>29</u>	<u>17</u>	<u>38</u>
Total		14	100	16	100	14	100	44	100
Indirect revenue									
High		0	0	0	0	0	0	0	0
Medium		4	29	9	56	8	57	21	48
Low		<u>10</u>	<u>71</u>	<u>7</u>	<u>44</u>	<u>6</u>	<u>43</u>	<u>23</u>	<u>52</u>
Total		14	100	16	100	14	100	44	100

SOURCE: Derived from Tables 2-1, 2-2, and 2-3.

figures for the 1 and the 2 per cent cities--even after allowing for the inclusion of the property tax--are indicative of a notable rise in reliance on the sales tax since FY 1970, when Johnstone found that the sales tax produced about 17 per cent of total revenue.⁴² And the two-year differential would probably be even greater if the data for this study included only the sources which Johnstone used.

The "direct impact" cells of Table 2-4 underscore the importance of the local sales tax as a major revenue-raiser, particularly for cities with a 2 per cent levy. Although an overwhelming majority of all cities in the sample rely heavily on public enterprises for revenue, reliance on this source tends to decline noticeably as the sales tax rate increases. The figures for the "intergovernmental" and "indirect" categories suggest that the sales tax may possibly provide new avenues for expanding revenues from these sources. The sales tax also seems to be associated with an expansive and a more diversified "mix" with respect to the various revenue sources. A majority of the 0 per cent cities have low reliance on all categories except "sales and services," whereas most 1 per cent and 2 per cent cities rank medium or high in all categories.

⁴²See footnote 27 of this chapter.

One should not try to make too much of the four preceding tables from the standpoint of policy implications. But they do nevertheless suggest some interesting lines of speculation which will be pursued in subsequent chapters.

To start with governmental policy roles, for instance, one might speculate that promoting economic growth and providing amenities would be associated with higher sales tax rates and relatively more reliance on direct impact and inter-governmental revenue sources. For example, Williams and Adrian say that a policy orientation toward promoting economic growth is the one most common at the local level, for the "booster spirit is the civic incarnation of the ethos of American capitalism."⁴³ If cities and towns want to boost business and attract industry, they might well favor the sales tax as a revenue source, for, as Ecker-Racz points out, one of the main reasons that the sales tax has become popular with political and civic leaders is that it meets with little business opposition since it is perceived not to influence the attraction of new industry very much.⁴⁴ And grants-in-aid can help promote economic growth by providing resources to aid in

⁴³Williams and Adrian, Four Cities, p. 188.

⁴⁴L. L. Ecker-Racz, The Politics and Economics of State-Local Finance (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1970), pp. 58-59.

financing industrial parks and similar municipal ventures. Whereas economic growth is a producer-oriented policy role, amenities are consumer-oriented. Increasing amenities means higher expenditures and hence a requirement for greater revenues to pay for them.⁴⁵ The sales tax can produce large amounts of revenue and ease the pain of taxation by exporting part of the burden to transients and visitors.⁴⁶ The same arguments would apply to intergovernmental grants and transfers. In passing, one might also note that this line of reasoning suggests that relatively high reliance on direct impact and intergovernmental revenue sources would tend to be associated with the professional and expansive financial sophistication commonly attributed to city manager cities.

Williams and Adrian contend that "caretaker government" orientations indicate opposition to public (as opposed to private) allocations of resources, expansion of governmental services, innovations in government, and tax increases. And, they continue, arbitrating conflicting interests dominates policy "when governmental officials are preoccupied with the task of adjusting the varied claims of many interests rather

⁴⁵Williams and Adrian, Four Cities, pp. 198-199.

⁴⁶Ecker-Racz, The Politics and Economics of State-Local Finance, pp. 58-59.

than with combining their energies toward the achievement of specific goals."⁴⁷ Thus a small government orientation might well be associated with relatively high reliance on traditional sales and services or on indirect revenue sources which represent only small expansions of government and no sizable tax increases. This situation would apply, of course, primarily to cities with no sales tax. In any case, it does seem likely that the caretaker role would relate to the "amateurism" often associated with non-city manager governments. The arbitration orientation presents difficulties for this analysis, just as it did for Williams and Adrian when they developed it. One might speculate that it would be associated with relatively high reliance on "indirect" sources (let each interest see that other interests carry special or particular revenue burdens) or on "intergovernmental" aid (let all interests avoid an immediate revenue burden). Or it could, through "fringe benefits," be ultimately related to relatively high reliance on "sales and services" or possibly on "direct impact taxes." The same sort of problems arises with respect to relationship to sales tax rate and form of government.

⁴⁷Williams and Adrian, Four Cities, pp. 226-251. Quote on p. 251.

As for the attitudinal implications of the tables, especially Table 2-4, the figures might lead one to speculate that officials and citizens in municipalities with relatively high reliance on certain revenue sources would tend to prefer raising revenue from these sources rather than the other sources. To take the most obvious example, officials from the 2 per cent cities should prefer the sales tax; those from 0 per cent cities, public enterprises. Or officials from sales tax cities might, as suggested earlier, be more likely to perceive economic growth and amenities policy roles for their governments than might be the case with officials from no-tax cities. And if this were the case, it would suggest, in turn, that the former group of officials would also tend to perceive greater community support and attitudinal congruence with constituents and to express views indicative of greater political "muscle" and sophistication. Similar thinking might well guide research looking for attitudinal differences between officials from city manager cities and those from non-city manager cities.

Whether such speculation will stand up under empirical testing is, however, another question entirely. Research into municipal politics oftentimes produces some puzzling results. But in any case, subsequent chapters will investigate these and other related matters.

Summary

As with municipalities all across the nation, the small and medium sized cities of Oklahoma face critical problems in securing adequate financial resources to meet rising demands for public goods and services. Traditionally, Oklahoma cities have relied rather sparingly on municipal taxes for revenue. A major reason for this has been constitutional/legal constraints which encourage reliance on public enterprises, especially utilities. In the mid-1960s, however, the state legislature authorized cities and towns to levy a local sales tax, and a large number of municipalities throughout the state have since tapped this new and lucrative source of revenue. But at the same time, many cities have either foregone or only partially used this option. To begin an exploration of why some cities use the sales tax more than others, the revenues of a sample of cities with varying reliance on the tax were classified and analyzed from the perspective of their hypothesized relationship to local tax policy. This effort suggests that the sales tax appreciably influences relative reliance on other categories of revenue and may well provide important clues as to the tax and revenue policies of Oklahoma municipalities and to the tax and revenue attitudinal set of leaders in these cities and towns. Subsequent chapters attempt

to relate local tax and revenue patterns to the opinions, perceptions, preferences, and policies of public officials in the sample of cities.

CHAPTER III

SOCIAL CHARACTERISTICS AND RECRUITMENT OF LOCAL TAX LEADERS

Introduction

The previous chapter examines the setting of municipal taxation and revenue in Oklahoma--focusing on constitutional/legal constraints and their impact on relative reliance on various revenue sources, especially the local sales tax. At this point, the research effort turns to an exploration of possible relationships between these factors and selected leadership variables which may bear on the basic question of why some Oklahoma cities rely on the municipal sales tax more than others do.

Downes' municipal "milieu" or context model offers an interesting way to begin approaching this problem. He hypothesizes that the context of local leadership, i.e., "those tendencies in the composition of the population of a municipality which gave it a characteristic political culture," partly determines or influences not only leaders' background characteristics but also their policy perceptions, attitudes,

and behavior.¹ In keeping with this line of thought, variations in the local sales tax rate would seem to be affected by differences in political culture, values, and other factors and, accordingly, to represent a distinctive characteristic of the milieu in the Oklahoma municipalities being studied.

Although this work does not seek to establish causal connections such as Downes suggests, it does use the contextual model to look at associations between, on the one hand, the tax rate and other structural factors, e.g., form of government of the cities, and, on the other hand, tax leaders' background characteristics and tax-related attitudinal set.

At this point, I want to call attention to a peculiarity of most of the tables in this and subsequent chapters. The usual practice is to run percentages in the direction of the independent variable if one is trying to explain differences in the factor being studied. Throughout this study, however, I have generally computed percentages along the dependent variable, i.e., the local sales tax rate. I believe that one can justify this practice on several grounds. First, it really makes no difference which way the percentages are computed since the interest here is only in showing associations,

¹Bryan T. Downes, "Municipal Social Rank and the Characteristics of Local Political Leaders," Midwest Journal of Political Science, XII (November 1968), pp. 514-516. Quote on p. 516.

not analyzing data according to time sequences which would help in an effort to establish causality. Second, the research design of this study makes it impractical, if not impossible, to show causality. For example, many of the present officials from cities with a 2 per cent sales tax rate were not necessarily involved in or responsible for the policy factors leading to the adoption of the 2 per cent tax rate in their cities. And third, since the two preceding reasons seem to remove the major methodological objections to running percentages in the direction of the dependent variable, I think that this practice helps to simplify the arrangement of the tables, to establish a consistent format to assist the reader, and to focus attention on the ways in which a wide range of factors vary according to the local sales tax rate.

This chapter explores the extent to which variations in local sales tax rate are related to differences in certain social background and recruitment characteristics of formal tax leaders. Subsequent chapters delve into aspects of attitudinal differences among leaders from communities with varying reliance on certain revenue sources and with differing political structures--a main focus being on perceived political constraints on local tax and revenue policy.

Studying Leadership

"Tax support . . . must start first with the leaders of a community; therefore, it is important to understand the conditions under which leaders will support increased taxes."² And the situational setting for local leaders seems like a good place to start acquiring such an understanding; for, according to most social scientists who study the subject, leadership is not so much a matter of "great men" or fixed "traits" or isolated "situations" as it is a process of varying interaction among leaders, followers, and the situation at hand.

Dion observes that despite the intense preoccupation with the problem of leadership in modern times, political leadership remains a most elusive concept to understand. And, he adds, given the nature of present day society, the person seeking to discover leadership must look for it in large-scale organizations.³ This suggests--if one uses the term "large-scale organizations" a bit loosely at times--that leadership can be fruitfully examined within the context of local communities and their governments. Another expert, noting considerable

²Arnold J. Meltsner, The Politics of City Revenue Berkeley: University of California Press, 1971), p. 187.

³Leon Dion, "The Concept of Political Leadership: An Analysis," Canadian Journal of Political Science/Revue canadienne de Science politique, I (March/mars 1968), p. 2.

disagreement over conceptualizations of leadership, tries to synthesize the competing viewpoints by defining leadership as "that behavior of an individual which initiates a new structure in interaction within a social system . . . Leadership initiates change in the goals, objectives, structures, procedures, inputs, processes, or outputs of social systems."⁴ Thus one might--at first glance, at least--expect to find community leadership associated with changes in local tax rates and reliance on various revenue sources.

This picture of leadership occurring within a setting of dynamic organizational vigor fails to tell the whole story, however. Isn't maintaining the status-quo a form of leadership? Do cities without a local sales tax lack leadership?

In his study of San Francisco Bay area councils and councilmen, Eyestone seems to offer a solution to this problem through the concept of policy leadership, which he defines as

a special form of political leadership that may be exerted in a problematic situation. The policy leader is concerned with finding the appropriate course of action to deal with the problem in order to reach certain desired goals. As a concept, policy leadership is explicitly action-oriented and

⁴James M. Lipham, "Leadership: General Theory and Research," in Leadership; the Science and the Art Today, ed. by Luvern L. Cunningham and William J. Gephart, Twelfth Annual Phi Delta Kappa Symposium on Educational Research (Itasca, Illinois: F. E. Peacock Publishers, Inc., 1973), p. 6.

purposive, excluding the affective, symbolic, and solidary characteristics that the concept of political leadership implies.⁵

Moreover, this purposive action may be a deliberate choice not to try to change things such as the local sales tax rate.

Accordingly, Eyestone says, "research into the conditions and opportunities for policy choice will be at least as rewarding as research into the consequences of particular policy choices."⁶ And if "predispositional" factors are as important as Hebert indicates,⁷ one might reasonably conclude that such research can ill afford completely to ignore the social background and recruitment characteristics of local tax leaders.

Data Collection

In determining the categories of tax leaders to study, I decided to limit myself to formal leaders who would, in my opinion, tend to be the ones most interested in and familiar with the financial problems of their communities and the political aspects of resolving these problems. Accordingly, between December 1972 and February 1973, I collected names and

⁵Robert Eyestone, The Threads of Public Policy: A Study in Policy Leadership (Indianapolis: The Bobbs-Merrill Company, Inc., 1971), p. 3.

⁶Ibid., p. 5.

⁷F. Ted Hebert, "The Politics of Revenue Raising," Public Administration Review, XXXIII (September/October 1973), p. 474.

addresses of the mayors, councilmen, city managers (as applicable), city clerks, and financial directors (for those few cities having a separate financial director) in the 44 cities in the sample described in Chapter II. To ensure that I obtained current information on the incumbents, I sent letters directly to most of the municipalities concerned. In a few cases, I visited nearby localities and got the desired information from city clerks. Finally, the Oklahoma Municipal League provided names and addresses of officials from five cities which did not respond to my queries.

Between March and May 1973, I gathered the data used in this and subsequent chapters through a questionnaire mailed (or, in a few cases, personally delivered) to 323 public officials in the 44 cities. A basic questionnaire, with an introductory cover letter from the executive director of the Oklahoma Municipal League, went to all 323 officials. In addition, I sent four additional questions to the 23 city managers being queried. Appendix A reproduces the complete questionnaire.

I developed most of the items from questions arising during the course of background reading and analysis of municipal financial data. Several of the questions, however,

either came directly or were adapted from questionnaires reproduced in other sources.⁸

To maximize the response, I queried the officials up to three times, as necessary, at roughly two-week intervals. As indicated in Table 3-1, the overall rate of usable returns was 75.5 per cent.⁹

TABLE 3-1

NUMBER AND PER CENT OF OKLAHOMA MUNICIPAL OFFICIALS RESPONDING TO QUESTIONNAIRE, BY SALES TAX RATE OF CITIES

Tax Rate of Official's City Is:	Number Possible	Number Received	Per Cent
0 per cent	82	71	86.5
1 per cent	120	87	71.9
2 per cent	<u>121</u>	<u>86</u>	<u>71.0</u>
Total	323	244	75.5

⁸Meltsner, The Politics of City Revenue; David Reid Morgan, "Suburban Differentiation and Metropolitan Political Integration" (unpublished Ph.D. dissertation, University of Oklahoma, 1969); Ronald O. Loveridge, City Managers in Legislative Politics (Indianapolis: The Bobbs-Merrill Company, Inc., 1971).

⁹The actual response rate was slightly higher. A few officials returned the questionnaire with a note to the effect that they had been in office such a short time that they could not answer the questions. Others declined to fill out the questionnaire because they were no longer in office. And then there was the priceless postcard from the mayor of McAlester: "Dear Mr. Williams: I have neither the time nor the inclination to assist you in attaining your Ph.D."

This return rate stands up fairly well in comparison with other mail surveys of municipal officials. For example, Morgan got a 78.1 per cent overall return rate from 64 mayors and councilmen in ten suburban cities within the Oklahoma City area.¹⁰ In a statewide survey of 627 Minnesota mayors, councilmen, city managers, and city clerks, Weidner obtained an overall return rate of 62.2 per cent on a questionnaire dealing with attitudes on intergovernmental relations.¹¹ Even with the plus factors of prior acquaintance through interviews and personally leaving questionnaires with the officials, the San Francisco Bay area researchers managed only an 84 per cent return rate.¹²

Table 3-2 shows a breakdown of respondents by office held. For the purposes of this study, the 91.3 per cent (21 of 23) response from city managers was particularly gratifying. Well over three-fourths of the respondents are elected officials since many city clerks run for office.

¹⁰Morgan, "Suburban Differentiation and Metropolitan Political Integration," p. 150.

¹¹Edward W. Weidner, Intergovernmental Relations As Seen by Public Officials, Intergovernmental Relations in the United States As Observed in the State of Minnesota, Research Monograph No. 9 (Minneapolis: The University of Minnesota Press, 1960). Percentage computed from data on p. 157.

¹²Kenneth Prewitt, The Recruitment of Political Leaders: A Study of Citizen-Politicians (Indianapolis: The Bobbs-Merrill Company, Inc., 1970), p. 224.

TABLE 3-2

NUMBER AND PER CENT OF OKLAHOMA MUNICIPAL OFFICIALS RESPONDING TO
QUESTIONNAIRE, BY OFFICE HELD

Office Held	Number Possible	Number Received	% of Possible Respondents in That Office	As % of Total Respondents
Mayor (town board president)	44	28	63.6	11.5
Councilman (town board member)	209	156	74.6	63.9
City manager	23	21	91.3	8.6
City (town) clerk	44	36	81.8	14.8
Finance officer	<u>3</u>	<u>3</u>	<u>100.0</u>	<u>1.2</u>
Total	323	244	75.5	100.0

At this point, I want to add one more methodological note. In this and subsequent chapters, I usually lump together all of the various categories of local officials under the analytical heading of formal tax leaders. Some readers may object to this practice--preferring instead separate analyses of, say, mayors and councilmen, city managers, and city clerks and finance officers respectively. Such an approach obviously has merit. But I do not believe that it would best serve the purposes of this study. Here is my

reasoning. First of all, I am focusing on a specific issue, viz., municipal taxation and revenue. Both my instincts and my observations suggest that these categories of officials together make up a sort of "hard-core" or "team" of formal leaders most aware of and concerned with the interrelated financial and political aspects of this particular issue. Since I am looking for leadership differences which may help to account for variations in reliance on the local sales tax, it seems to be reasonable, for the purposes of this study, to consider all of the categories of officials as a single group of formal tax leaders and then to divide the group according to such things as sales tax rate and form of government (Chapter V, incidentally, does give some attention to city managers alone).

Background Characteristics of Tax Leaders

In preparing the questionnaire, I decided to omit most of the usual socioeconomic status (SES) variables, e.g., sex, education, income, religion. I had several reasons for doing so. First of all, many of these variables did not seem particularly important to a study of formal leaders in the municipal tax policy process. For instance, Meltsner's exploration of tax and revenue leadership in Oakland gives only

passing attention to SES characteristics.¹³ And, with the exception of Prewitt's work, the same holds true for the San Francisco Bay area studies.¹⁴ Second, the state and local, community power structure, and socialization and recruitment literature has so intensively analyzed SES variables that I deemed it unnecessary to pursue this line of inquiry to any great extent. Third, Welsh--citing a number of studies of European political leaders--argues that recent career experiences are much more important than social background characteristics in explaining the issue orientations of those in political leadership positions.¹⁵ Prewitt and associates reach comparable conclusions in an analysis of state legislators and city councilmen.¹⁶ Fourth, my early experiences with municipal officials indicated that they would be highly suspicious of "outsiders"--especially political scientists--who were asking for detailed information about their personal

¹³Meltsner, The Politics of City Revenue.

¹⁴Eyestone, The Threads of Public Policy; Loveridge, City Managers in Legislative Politics; Prewitt, The Recruitment of Political Leaders; Betty H. Zisk, Local Interest Politics, a One-Way Street (Indianapolis: The Bobbs-Merrill Company, Inc., 1973).

¹⁵William A. Welsh, Studying Politics (New York: Praeger Publishers, 1973), pp. 124-125.

¹⁶Kenneth Prewitt, Heinz Eulau, and Betty H. Zisk, "Political Socialization and Political Roles," Public Opinion Quarterly, XXX (Winter 1966-1967), pp. 569-582.

lives. This suggested that they might well be "turned-off" by a mail questionnaire from an unknown individual who wanted to pry into such things as their income and educational level. If this were the case, it could jeopardize the return rate. Finally, the questionnaire itself seemed too long as it was, and I certainly did not want to hurt the response rate by adding to its bulk unnecessarily.

Despite these numerous reservations about using SES variables, I did feel that I should look at four background characteristics which seemed particularly important. These characteristics were (1) length of residence in the community, (2) occupation, (3) motivation for entering local public office, and (4) length of time in local public office. I assumed that a request for such information would not appear threatening or embarrassing to the respondents. And at the same time, I believed that data on these variables might provide valuable insights into differences in the innovativeness of the milieu of the local tax and revenue process. This latter point was suggested by the theoretical generalizing of Rogers and Shoemaker. On the basis of content analyses of research publications in the Diffusion Documents Center at Michigan State University, these authors offer impressive empirical evidence concerning the relationship of various characteristics to innovativeness. They find, for example, that innovations (or

"earlier adopters") are related to such things as non-traditional norms and favorable attitude toward change, cosmopolite attitudes and experiences, higher occupational status, commercial economic orientation, high achievement motivation, favorable attitude toward venturesomeness and risk-taking, and a relatively short period between learning about an innovation and deciding to adopt it.¹⁷

Length of Residence

In his study of mayors and councilmen in six California communities, Lee found that length of residence averaged 28 years.¹⁸ In their famous study of Springdale, Vidich and Bensman say that the town always elected officials who were long-time (at least ten years and preferably lifelong) residents. And these individuals, the authors continue, invariably subscribed to a low-tax, low-spending ideology which accurately reflected community values.¹⁹ Other studies suggest a similar

¹⁷Everett M. Rogers, with F. Floyd Shoemaker, Communication of Innovations--a Cross-Cultural Approach (2d ed.; New York: The Free Press, 1971), Chapters 3-5.

¹⁸Eugene C. Lee, The Politics of Nonpartisanship: A Study of California City Elections (Berkeley: University of California Press, 1960), p. 51.

¹⁹Arthur J. Vidich and Joseph Bensman, Small Town in Mass Society: Class, Power and Religion in a Rural Community (rev. ed.; Princeton, New Jersey: Princeton University Press, 1968), p. 115.

conservatism for long-term residents. For example, Bouma did a case study of a referendum on a proposal to retain a Kalamazoo, Michigan, housing commission established to deal with housing problems of low-income families. The commission was linked with the threat of "socialistic" public housing during the course of the campaign. Bouma found that opposition to the proposal--which was defeated--was somewhat higher among long-time residents.²⁰

In addition, one cannot overlook the "stake in society" aspect of long residency. A recent review article, for instance, contends that the long-time resident probably feels that he has a greater stake in the well-being of the community than the newcomer does.²¹ If, as suggested above, the old-timer tends to be conservative, he might well view his stake in the community in terms of low-tax, low-spending values as well as preferences for familiar and traditional forms of municipal financing. This implies, of course, that the relatively more liberal or "progressive" newcomer would tend to

²⁰Donald H. Bouma, Why Kalamazoo Voted No; the Defeat of a Housing Proposal (Kalamazoo, Michigan: The W. E. Upjohn Institute for Employment Research, 1962), pp. 1-2, 6-7.

²¹Northern Illinois University, Staff of the Center for Governmental Studies, "Citizen Participation and Local Government in the United States--an Analysis of Recent Research," Studies in Comparative Local Government, V. No. 2 (Winter 1971), p. 88.

favor higher taxes, more spending, and innovative forms of public financing in order to improve his stake in society. In short, one might reasonably speculate that as the proportion of long-term residents decreases, the local sales tax rate increases. Table 3-3 looks at Oklahoma municipal tax leaders in terms of this hypothesized relationship.

TABLE 3-3

DURATION OF RESIDENCE IN COMMUNITY FOR OFFICIALS,
BY LOCAL SALES TAX RATE (in percentages)

Years of Residence	Sales Tax Rate			Total
	0% Cities	1% Cities	2% Cities	
Newcomers				
0-5	4.3	8.1	12.8	8.6
6-10	<u>11.4</u>	<u>10.5</u>	<u>12.8</u>	<u>11.5</u>
Total newcomers	15.7	18.6	25.6	20.1
Mid-termers				
11-20	20.0	31.4	15.1	22.4
21-30	<u>22.9</u>	<u>18.6</u>	<u>27.9</u>	<u>23.1</u>
Total mid-termers	42.9	50.0	43.0	42.5
Old-timers				
31-40	25.7	16.3	18.6	19.8
41-50	11.4	8.1	11.6	10.3
51 or more	<u>4.3</u>	<u>7.0</u>	<u>1.2</u>	<u>4.1</u>
Total old-timers	<u>41.4</u>	<u>31.4</u>	<u>31.4</u>	<u>34.2</u>
TOTAL	100.0	100.0	100.0	99.8
(N)	(70)	(86)	(86)	(242)

NOTE: Some percentages do not total 100 because of rounding.

Table 3-3 generally supports the expected pattern.

The proportion of leaders in the newcomer category is noticeably higher in the cities with a 2 per cent sales tax than it is in the cities with no sales tax. And the proportions decline in almost equal stages as one moves across columns from right to left. Roughly comparable relationships appear in the opposite direction when one looks at the old-timers. Inspecting the table vertically, one finds that the ratio of old-timers to newcomers is almost three-to-one in the 0 per cent cities, nearly two-to-one in the 1 per cent cities, and roughly one-to-one in the 2 per cent cities. And, interestingly, exactly one-half of the officials from cities with a 1 per cent local sales tax are mid-termers.

Occupation

The literature of political science amply documents the "Main Street dominance" of local government. Morgan, for example, cites several older studies to back up this point and notes that 94 per cent of the officials in his sample indicated that they were in white collar occupations.²² Buechner reports comparable findings in his study of Colorado city

²²Morgan, "Suburban Differtiation and Metropolitan Political Integration," pp. 155-159.

managers and councilmen.²³ According to the results of the Stanford University City Council Research Project and research sponsored by the Institute of Governmental Studies at the University of California, Berkeley, roughly 70 to 80 per cent of the councilmen in the San Francisco Bay area were either businessmen or professionals.²⁴ And Downes shows that about one-half (49 per cent) of the St. Louis area councilmen whom he studied were in occupations classified as proprietary, managerial, professional or technical. In addition, roughly one-fifth (22 per cent) of these officials were in lower SES white collar occupations; nearly three-tenths (29 per cent) held blue collar jobs or fell into the "other" category.²⁵ Table 3-4 reveals a somewhat similar occupational pattern for the public officials surveyed in this study.

²³John C. Buechner, Differences in Role Perceptions in Colorado Council-Manager Cities (Boulder: Bureau of Governmental Research and Service, University of Colorado, 1965), p. 25.

²⁴Prewitt, The Recruitment of Political Leaders, p. 225; Willis D. Hawley, Nonpartisan Elections and the Case for Party Politics (New York: John Wiley & Sons, 1973), p. 139.

²⁵Downes, "Municipal Social Rank and the Characteristics of Local Political Leaders," p. 518.

TABLE 3-4

OCCUPATIONAL CHARACTERISTICS OF OFFICIALS, BY LOCAL SALES
TAX RATE (in percentages)

Occupational Classification	Sales Tax Rate			Total
	0% Cities	1% Cities	2% Cities	
Proprietary	21.1	27.6	37.2	29.1
Managerial, profes- sional, and technical	<u>26.8</u>	<u>21.8</u>	<u>31.4</u>	<u>26.6</u>
Total	47.9	49.4	68.6	55.7
White collar workers	22.5	19.5	16.3	19.3
Blue collar workers	12.7	12.6	8.1	11.1
Retired	8.5	9.2	4.7	7.4
Farmers	5.6	4.6	0.0	3.3
Other	<u>2.8</u>	<u>4.6</u>	<u>2.3</u>	<u>3.3</u>
Total	52.1	50.5	31.4	44.4
TOTAL	<u>100.0</u>	<u>99.9</u>	<u>100.0</u>	<u>100.1</u>
(N)	(71)	(87)	(86)	(244)

NOTE: Some percentages do not total 100 because of rounding.

Overall, high SES occupations characterize most of the public officials. And businessmen (proprietors) make up the dominant category in those cities which have either a 1 or a 2 per cent sales tax. But only in the 2 per cent cities do officials with high SES occupations constitute a majority--and a substantial one at that. This suggests that occupations and sales tax rate are in some way associated, and that occupational status can perhaps furnish a clue to differences in reliance on the local sales tax.

Both Meltsner and Vidich and Bensman confirm the general pattern of "Main Street dominance" of local politics discussed above. They add that these businessmen-politicians subscribe to a low-tax ideology.²⁶ And Prewitt suggests that by selecting like-minded replacements, as well as through direct teaching and imitation learning, local public officials tend to perpetuate their preferred community values over successive generations of leadership.²⁷

The preceding chapter argued that public officials in Oklahoma seem to share this low-tax ideology. And at the local level, businessmen are apparently a potent, if not predominant, force in municipal government. But when one looks at the proportions of businessmen in the three groups of cities, he finds that this presumably "anti-taxes" occupational category increases its representation in city government as the sales tax rate rises. In some cases, perhaps, as Eyestone says, "low-taxes" constitute a part of the officials' formal rhetoric, not necessarily their personal preferences and values.²⁸

²⁶Vidich and Bensman, Small Town in Mass Society, pp. 114-115; Meltsner, The Politics of City Revenue, pp. 61-71.

²⁷Prewitt, The Recruitment of Political Leaders, p. 120.

²⁸Eyestone, The Threads of Public Policy, p. 65.

Why should this be so? One can, of course, speculate on any number of explanations. But the data on length of residence might possibly suggest that newcomer innovativeness and "progressivism" are somehow influencing the businessmen in the sales tax cities to break with the low-tax ideology and to view the levy as a means of enhancing community well-being and their stake in it. Moreover, if "the occupation of businessman and the role of councilman converge," as Prewitt contends,²⁹ perhaps--in keeping with some of Rogers and Shoemaker's generalizations concerning innovation--this commercially oriented group of entrepreneurs or risk-takers becomes more "municipal achievement" oriented and hence more willing to assume leadership on a politically risky issue such as a tax-increase proposal. This would seem to be particularly true in situations where proprietary businessmen can find allies in a coalition with a progressive managerial-professional-technical class. Within the context of such a "new convergence of power," to use Salisbury's phrase, the coalition might actively search for innovative solutions to problems regarded as critical to the city's growth and readily initiate programs involving major allocations of resources.³⁰

²⁹Prewitt, The Recruitment of Political Leaders, p. 164.

³⁰Robert H. Salisbury, "Urban Politics: The New Convergence of Power," Journal of Politics, XXVI (November 1964),

The data in Table 3-4 offer some support for this sort of explanation. Almost 70 per cent of the officials in the 2 per cent cities work in proprietary, managerial, professional, or technical occupations. In contrast, about one-half of the officials in the other two groups of cities fall into occupational categories which one might reasonably associate with low-tax, low-spending conservatism.

Recruitment Motivation

Motivation constitutes an important variable in accounting for a public official's recruitment into office.³¹

Citing a substantial body of literature, Morgan points out

pp. 775-797. In keeping with this line of reasoning, it is interesting to note that the results of a psychological experiment suggest, among other things, that persons with strong achievement motives will prefer to undertake moderately risky tasks; whereas those motivated mainly by desire to avoid failure will select the easiest or safest of all alternative tasks. Persons in high SES occupations would seem likely to have strong achievement motivation. See John W. Atkinson, "Motivational Determinants of Risk-Taking Behavior," Psychological Review, LXIV, Part 1 (November 1957), pp. 359-372.

³¹John D. Parker, "Classification of Candidates' Motivations for First Seeking Office," Journal of Politics, XXXIV (February 1972), p. 268. For a useful overview of the political recruitment literature, see Dwaine Marvick, "Political Recruitment and Careers," in International Encyclopedia of the Social Sciences, ed. by David L. Sills, XII (n.p.: The Macmillan Company & The Free Press, 1968), pp. 273-281. The broader area of political socialization is well covered by Richard G. Niemi, "Political Socialization," in Handbook of Political Psychology, ed. by Jeanne N. Knutson (San Francisco: Jossey-Bass Publishers, 1973), pp. 117-138.

that most of the political recruitment studies have focused on partisan political systems. However, he continues, the elusive subject of motivation "seems particularly important in a system of nonpartisan elections where the absence of party machinery has eliminated the traditional political institution which ordinarily has the major responsibility for recruiting, screening and promoting candidates for elective office."³²

To see whether recruitment motivation differences appear among the three groups of formal tax leaders, I used one of Morgan's questions to try to ascertain how the public officials first got into office. The question offered four structured responses (friend or neighbor, work in a community organization, issue-related interest, nature of occupation), plus an open-ended "other" category. Table 3-5 shows the responses to the question.

Perhaps the most striking thing about Table 3-5 is the way that the influence of friends and neighbors declines as the sales tax rate increases. And with this decline in the "politics of acquaintance" comes a slight rise in concern over local issues and problems. Looking at the table vertically, one can see that among officials in the 0 per cent cities, the ratio of "friends and neighbors" to "issues and problems" is

³²Morgan, "Suburban Differentiation and Metropolitan Political Integration," pp. 166-167. Quote on p. 167.

TABLE 3-5

RECRUITMENT MOTIVATION OF OFFICIALS, BY LOCAL SALES TAX
RATE (in percentages)

First got into office through:	Sales Tax Rate			Total
	0% Cities	1% Cities	2% Cities	
Friend or neighbor got me interested	45.1	32.2	25.9	33.7
Work in a community organization	7.0	18.4	11.8	12.8
Interest in a parti- cular issue or problem	16.9	16.1	20.0	17.7
Nature of occupation	15.5	9.2	14.1	12.8
Other	<u>15.5</u>	<u>24.1</u>	<u>28.2</u>	<u>23.0</u>
Total	100.0	100.0	100.0	100.0
(N)	(71)	(87)	(85)	(243)

about three-to-one; in the 1 per cent cities, two-to-one; and in the 2 per cent cities, almost one-to-one.

Putnam may offer a clue to accounting for these differences. He contends that individuals within a community tend to be especially sensitive to friends' opinions, and that the political environment of the community strongly influences the complexion of friendship groups.³³ If this is the case, it

³³Robert D. Putnam, "Political Attitudes and the Local Community," American Political Science Review, LX (September 1966), p. 652.

suggests that acquaintances holding a low-tax ideology are much less influential in the recruitment process in the 2 per cent cities than they are elsewhere. Similarly, since practically all municipal issues and problems are, in one way or another, related to local finances, one might speculate that tax leaders in the 1 and 2 per cent cities are appreciably more motivated by individualistic concerns for community well-being and less influenced by a low-tax "community climate" than are officials in the 0 per cent group of cities.

The proportions of officials falling into the "other" category may also be related to this last point, for respondents indicating appointment to office were coded there. Lee found that some 26 per cent of the officials in his survey came to office by appointment.³⁴ Prewitt likewise reports that about one-fourth of the San Francisco Bay area councilmen were appointed to office, and he considers this situation to be a key factor in explaining their "volunteerism" and indifference to electoral accountability.³⁵

I cannot make too much of Prewitt's argument for the purposes of this study because the "other" category includes

³⁴Lee, The Politics of Nonpartisanship, pp. 66-67.

³⁵Prewitt, The Recruitment of Political Leaders, pp. 210-211; Kenneth Prewitt, "Political Ambitions, Volunteerism, and Electoral Accountability," American Political Science Review, LXIV (March 1970), p. 10.

appointed city managers and city clerks and because, unfortunately, I failed to ask elected officials specifically whether they first came to office by appointment. However, 15 elected officials (all councilmen) "volunteered" the information that they first got into office through appointment. These 15 individuals represent about 10 per cent of the councilmen (or 8 per cent of the mayors and councilmen) in the sample. This suggests, at least, that the proportion of appointees might well approach Lee and Prewitt's figures if I had raised the matter in the questionnaire. This point seems particularly significant when one looks at the 15 councilmen in relation to the sales tax rates in their respective cities, for 12 (80 per cent) come from cities with a 1 or 2 per cent local sales tax. Hence one might speculate that the "volunteerism" ethic is a much stronger force among officials in cities with a municipal sales tax. And if this is the case, it suggests that an important difference in local tax leadership is associated with a relative lack of concern over public opinion and the consequences--both electoral and personal--of supporting unpopular issues such as tax-increase proposals.

Such speculation is, of course, merely suggestive. Subsequent chapters explore tax leaders' motivations in greater detail.

Length of Tenure in Office

Vidich and Bensman indicate that local public officials are not only old-time residents but also long-term incumbents in office.³⁶ And Adrian generalizes that nonpartisan electoral systems tend to produce conservative, long-tenured legislative bodies.³⁷ In Lee's study of six California communities, the councilmen's average tenure ranged from 5.5 to 9.6 years--the average time in office overall being about six years.³⁸

Other research efforts have, however, found a tendency toward shorter tenure. Huckshorn and Young indicate that roughly 60 per cent of the Los Angeles area councilmen in their survey had been in office less than four years.³⁹ Almost 70 per cent of the councilmen in the San Francisco Bay area had first entered office within the preceding five years, and nearly 30 per cent of the officials had only two years of

³⁶Vidich and Bensman, Small Town in Mass Society, pp. 114-120.

³⁷Charles R. Adrian, "Some General Characteristics of Nonpartisan Elections," American Political Science Review, XLVI (September 1952), pp. 774-775.

³⁸Lee, The Politics of Nonpartisanship, pp. 67-69.

³⁹Robert J. Huckshorn and Charles E. Young, "Study of Voting Splits on City Councils in Los Angeles County," Western Political Quarterly, XIII (June 1960), pp. 492-493. Percentage computed.

service or less.⁴⁰ Morgan reports a median length of tenure of 3.0 years for 50 office-holders in the Oklahoma City area.⁴¹ A 1971 nationwide survey of city councils in municipalities of over 5,000 population reveals that more than half of the councilmen were serving in their first term, and that some 60 per cent had served four years or less. The survey also notes that newcomers predominated in the councils of smaller cities (5,000-25,000 population).⁴²

In sum, previous research offers somewhat contradictory results. Table 3-6 apparently affords support for the "short tenure" school of thought.

The overall figures generally agree with the results reported by Huckshorn and Young, Prewitt, and Klevit. And if one computes the percentages for mayors and councilmen alone, the short-termers become even more predominant. For example, 67.3 per cent of this group of officials report a tenure in office of four years or less; in contrast, only 14.2 per cent have served nine years or more.

⁴⁰Prewitt, The Recruitment of Political Leaders, pp. 225-226.

⁴¹Morgan, "Suburban Differentiation and Metropolitan Political Integration," p. 175.

⁴²Alan Klevit, "City Councils and Their Functions in Local Government," in The Municipal Year Book, 1972, by International City Management Association (Washington, D.C.: The Association, 1972), pp. 15-17.

TABLE 3-6

TENURE IN OFFICE OF OFFICIALS, BY LOCAL SALES TAX RATE
(in percentages)

Tenure in Office (years)	Sales Tax Rate			Total
	0% Cities	1% Cities	2% Cities	
0-2	33.8	29.1	43.0	35.4
3-4	<u>11.3</u>	<u>31.4</u>	<u>31.4</u>	<u>25.5</u>
Total	45.1	60.5	74.4	60.9
5-6	9.9	14.0	10.5	11.5
7-8	<u>11.3</u>	<u>11.6</u>	<u>4.7</u>	<u>9.1</u>
Total	21.2	25.6	15.2	20.6
9-10	9.9	2.3	5.8	5.8
11 or more	<u>23.9</u>	<u>11.6</u>	<u>4.7</u>	<u>12.8</u>
Total	33.8	13.9	10.5	18.6
TOTAL	101.1	100.0	100.1	100.1
(N)	(71)	(86)	(86)	(243)

NOTE: Percentages do not always total 100 because of rounding.

For purposes of this research effort, however, the most significant thing about Table 3-6 is the way in which a rising proportion of short-termers accompanies an increase in the local sales tax rate. About three-fourths of the officials from the 2 per cent cities have served four years or less. But for 0 per cent officials, the short-term figure drops below one-half. In contrast, approximately one-third of the officials from the 0 per cent cities have held local office for nine years or more, whereas only about one-in-ten of the officials from the 1 and the 2 per cent cities falls into this category.

The data collected from the officials were insufficient to indicate whether incumbents were frequently defeated during reelection bids or whether they simply chose not to run again. However, Prewitt forcefully makes the point that San Francisco Bay area "volunteers" were generally indifferent about reelection and tended to leave office at will.⁴³ Hence, one might reasonably speculate that the low tenure rate for Oklahoma municipal officials--particularly those from the sales tax cities--results mainly from personal choice, not electoral defeat.

In any case, Table 3-6 does associate short tenure with higher local sales tax rates. And this relationship, in turn, suggests that sales tax cities tend to receive more frequent infusions of "fresh blood" with respect to innovative tax and revenue leadership. Also, in passing, it seems to add weight to Prewitt's argument that the "volunteerism" ethic is an important factor in local politics.

Summary

Variations in the local sales tax rate seems to represent a distinctive contextual characteristic of Oklahoma municipalities. As such, these differences offer a good framework for studying local tax leadership from a number of

⁴³Prewitt, The Recruitment of Political Leaders, Chapters 8 and 9.

perspectives. This chapter focuses on selected social background and recruitment characteristics of local tax policy leaders in an effort to gain some insight into differences in the innovativeness of the milieu of municipal tax and revenue processes. Information on these matters came from a questionnaire returned by 244 formal leaders considered immediately interested in and familiar with local tax and revenue problems and the political aspects of resolving such problems.

The results of the survey suggest that formal tax leaders in cities with relatively high sales tax rates have certain social background and recruitment characteristics associated with innovativeness and a general lack of concern over constraints presumably imposed by the political environment. More specifically, in comparison with officials from cities with no local sales tax, officials in sales tax cities tend to have resided in their communities for a much shorter length of time, to hold higher SES occupations, to be less influenced by friends and neighbors (and, presumably, their traditional low-tax ideology) at the time of recruitment into public office, and to have much shorter tenure in office.

In short, this chapter offers evidence suggesting an overall background pattern of progressiveness and innovativeness among officials in sales tax cities. The next chapter

explores whether this pattern still holds when officials indicate their attitudes, perceptions, and preferences concerning a number of different factors bearing on the municipal tax and revenue process.

CHAPTER IV

THE PSYCHOLOGY OF MUNICIPAL TAX LEADERSHIP

Introduction

The two preceding chapters examined the political economy of local taxation in Oklahoma and selected social background characteristics of municipal tax leaders. At various points, the discussion included speculation as to possible relationships between these factors and the attitudinal set of the tax leadership in Oklahoma cities and towns. The first part of this chapter explores some of these hypothesized relationships. The remainder of the chapter uses this initial work as a touchstone for analyzing local tax leadership from a variety of psychological perspectives.

Psychology and Local Tax Leadership

Noting that elite attitudes and behavior critically influence the operation of the political system, Sears underscores the importance of research on "questions that try to explain political decisions as a complex function of elite

dispositions, role requirements, and public opinion."¹ The interworkings of beliefs, attitudes, values and motivations provide political leaders with "operational codes," or frames of reference, through which to perceive and act on policies.² Thus at the local level, as Eyestone points out, municipal political leaders serve as "crucial intervening agents" as they adopt policies which link problem recognition to problem resolution. Local policy-makers are the focal point for all of the influences on city policy. "Their beliefs and interpretations are the ultimate deciding factors in the city policy process."³ In short, as a public finance economist observes,

¹David O. Sears, "Political Behavior," in The Handbook of Social Psychology, ed. by Gardner Lindzey and Elliot Aronson, Vol. 5 (2d ed.; Reading, Massachusetts: Addison-Wesley Publishing Company, 1969), pp. 437-438. Quote on p. 438.

²Arnold J. Meltsner, "Political Feasibility and Policy Analysis," Public Administration Review, XXXII (November/December 1972), pp. 861-862. For a good discussion of the "operational code" construct, see Alexander L. George, "The 'Operational Code': A Neglected Approach to the Study of Political Leaders and Decision-Making," International Studies Quarterly, XIII (June 1969), pp. 190-222.

³Robert Eyestone, The Threads of Public Policy: A Study in Policy Leadership (Indianapolis: The Bobbs-Merrill Company, Inc., 1971), p. 5.

the real answer to urban financial questions and problems may well be rooted in human psychology.⁴

A Methodological Note

A political scientist comes naturally to the thought that the power a group exercises makes it a strategic universe for a survey. Surveys of political elites seem more consequential than are surveys of ordinary men, and the political, as well as the theoretical and the practical, provides a principle for locating strategic universes. One can easily make elites the exclusive object of attention in a survey . . . , but such an approach then relegates the rank and file to an object worthy of no attention from surveyors. Sensibly, the two groups are often incorporated into the same large inquiry, the findings about each being regarded as complementary parts of the total picture.⁵

Sears and Hebert, among others, also emphasize the complementary importance of public attitudes and opinions in arriving at an understanding of the policy process.⁶ This seems particularly true with respect to getting at similarities and differences between leaders and followers on local tax and revenue matters.

⁴Donald J. Curran, Metropolitan Financing: The Milwaukee Experience, 1920-1970 (Madison: The University of Wisconsin Press, 1973), p. xiii.

⁵Herbert H. Hyman, "Surveys in the Study of Political Psychology," in Handbook of Political Psychology, ed. by Jeanne N. Knutson (San Francisco: Jossey-Bass Publishers, 1973), p. 331. (Italics his.)

⁶Sears, "Political Behavior," pp. 437-438; F. Ted Hebert, "The Politics of Revenue Raising," Public Administration Review, XXXIII (September/October 1973), pp. 473-478.

One can attack this problem either through an actual comparative survey of leader and public opinion or through comparison of leaders' attitudes with their perceptions of public attitudes. In recent years, the latter approach has received substantial support. Meller, for example, says that "it is the legislator's perceptions of constituency preferences which have immediate import, not necessarily the views held by constituents nor even constituent knowledge of their representative's action."⁷ Zisk similarly justifies using San Francisco Bay area councilmen's perception of reality and their reported behavior as a substitute for the reality described by other actors or inferred from documentary research. Unless councilmen perceive and assign importance to similarities and differences with others, she says, the "actual" situation will scarcely influence their predispositions and behavior. Moreover, she adds, one cannot automatically assume that other research techniques, e.g., interviews with other actors, would produce substantially different or qualitatively better results.⁸ Alford develops an argument somewhat similar to

⁷Norman Meller, "'Legislative Behavior Research' Revisited: A Review of Five Years' Publications," Western Political Quarterly, XVIII (December 1965), p. 788.

⁸Betty H. Zisk, Local Interest Politics, a One-Way Street (Indianapolis: The Bobbs-Merrill Company, Inc., 1973), pp. 6-7.

Zisk's first point as he discusses the way in which political actors respond to the "climate of opinion."⁹

Some empirical research raises questions about the validity of the perceptual approach.¹⁰ But other studies seem to lend support for this technique. For instance, a 1969 survey of 12 local areas in Iowa revealed a high degree of shared feelings among authorities, links, and citizens with respect to "what was right" for their communities.¹¹ Morgan did an actual comparative survey of councilmen and citizens in Oklahoma City area suburbs. In comparing his work with the results of the San Francisco Bay area--notably that part of it

⁹Robert R. Alford, Bureaucracy and Participation: Political Cultures in Four Wisconsin Cities (Chicago: Rand McNally & Co., 1969), p. 7.

¹⁰See, for example, Warren E. Miller and Donald E. Stokes, "Constituency Influence in Congress," American Political Science Review, LVII (March 1963), pp. 45-56; Norman R. Luttbeg, "Patterns of Leadership Policy Preference: A Study of Some Assumptions in Community Research," in Public Opinion and Public Policy: Models of Political Linkage, ed. by Norman R. Luttbeg (Homewood, Illinois: The Dorsey Press, 1968), pp. 355-364; Roberta S. Sigel and H. Paul Friesema, "Urban Community Leaders' Knowledge of Public Opinion," Western Political Quarterly, XVIII (December 1965), pp. 881-895; Carl D. McMurray and Malcolm B. Parsons, "Public Attitudes toward the Representational Roles of Legislators and Judges," Midwest Journal of Political Science, IX (May 1965), pp. 167-185.

¹¹Citizens and Local Governments in Iowa: Problems, Participation, and Attitudes, Working Paper No. 3 of Local Government in Iowa: Problems and Perspectives (Iowa City: Institute of Public Affairs, The University of Iowa, 1971), p. 29.

pertaining to the "norm of volunteerism"--he suggests that at least in Oklahoma City area suburbs, city councilmen appear to adhere fairly closely to the policy views of the community-at-large.¹² And on the specific question of local taxation and revenue, Meltsner used a survey of positional "citizen-leaders" as a substitute for general public opinion on the finances of Oakland.¹³

In sum, then, the literature seems to provide adequate --though not conclusive--theoretical and empirical justification for approaching public attitudes and opinions through the perceptions of leaders. When one adds to this the practical consideration of limited time and resources, the perceptual approach becomes very attractive indeed. Accordingly, this study uses the "leaders' perceptions" technique in those parts attempting to portray citizen attitudes and opinions.

The Environment of Municipal Tax Policy

Williams and Adrian contend that American municipalities all appear to be pretty much the same because they all face similar problems. The perceptive observer can, however,

¹²David R. Morgan, "Political Linkage and Public Policy: Attitudinal Congruence Between Citizens and Officials," Western Political Quarterly, XXVI (June 1973), p. 209.

¹³Arnold J. Meltsner, The Politics of City Revenue (Berkeley: University of California Press, 1971), Chapter 6.

readily find dissimilarities by looking for variations in responses to these problems. And such variations in responses or accomplishments indicate that differing sets of values appear to guide the policy process from place to place.¹⁴ In view of the earlier discussion of tax-leadership psychology, Williams and Adrian's argument suggests that an exploration of certain aspects of the perceived policy environment might provide some useful insights in trying to account for differences in local sales tax policy. Accordingly, this first part of the chapter focuses on roles of government (particularly as they relate to revenue-raising preferences), local tax climate, and community self-reliance values.

Governmental Roles and Revenue Preferences

The latter part of Chapter II presented a politically oriented classification of municipal taxes and revenues in Oklahoma and used this scheme to analyze the finances of a sample of 44 Oklahoma cities and towns with varying local sales tax rates. In general, the analysis revealed that cities with no sales tax tend to rely heavily only on traditional "sales and services," but that municipalities with the sales tax rank high or medium in reliance on all four revenue

¹⁴ Oliver P. Williams and Charles R. Adrian, Four Cities: A Study in Comparative Policy Making (Philadelphia: University of Pennsylvania Press, 1963), pp. 11 and 22.

categories. Of particular interest was that reliance on public enterprises tends to decline noticeably as the sales tax rate rises.

The results of the analysis led to speculation about possible ways in which these varying degrees of reliance on different revenue sources might relate to the local policy roles formulated by Williams and Adrian and to the revenue-raising preferences of formal tax leaders. For example, as compared with officials from cities with no sales tax, formal tax leaders from sales tax cities might be more likely to perceive economic growth and amenities policy roles for their governments and to prefer the local sales tax as a source of additional revenue. In contrast, one might expect officials from the 0 per cent cities to perceive "caretaker" policy roles for their governments and to prefer more traditional sources, e.g., public enterprises, for raising more revenue.

Chapter III lent some additional support to this line of thought. It suggested, for instance, a tendency for officials from sales tax cities to have an overall social background conducive to progressive and innovative attitudes. And contrary to what one might expect according to the conventional wisdom about a low-tax ideology among businessmen, it showed that as the sales tax rate rises, the proportion of presumably "anti-taxes" businessmen in city government increases.

Moreover, this group represents the dominant occupational category of officials in cities with a sales tax. As for the policy orientation of such officials, Ecker-Racz contends that they "yearn for trade and industry" ¹⁵ And Downes reports that 84 per cent of the St. Louis area councilmen in his survey approved of bringing in new industry. ¹⁶ Hence one might reasonably expect to find that officials from sales tax cities in Oklahoma are more likely than are their 0 per cent counterparts to perceive economic growth and, perhaps--twisting the thrust of the Williams and Adrian typology somewhat--industry-attracting amenities roles for their governments. In addition, they should have a greater tendency to prefer "progressive," innovative, and governmentally expansive means of acquiring additional revenues to underwrite these municipal policy roles.

As an initial step in exploring these matters, I asked the city officials to rank-order the policy orientations of their communities according to the Williams and Adrian typology. Appendix A, item 4, gives the wording of the question and the

¹⁵L. L. Ecker-Racz, The Politics and Economics of State-Local Finance (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1970), p. 20.

¹⁶Bryan T. Downes, "Municipal Social Rank and the Characteristics of Local Political Leaders," Midwest Journal of Political Science, XII (November 1968), pp. 531-532.

possible responses.¹⁷ Table 4-1 shows how the officials replied to the question; the results indicate that many of the expected relationships do indeed appear.

Officials from all three groups of cities stress the economic growth role. But as the sales tax rate rises, the proportion of those assigning it first place increases noticeably. And whereas only about one-in-ten of the officials from the sales tax cities give economic growth a low priority (third or fourth rank), the comparable ratio for 0 per cent officials is better than three-in-ten.

The small government or "caretaker" orientation shows a definite trend in the opposite direction. Officials from cities with no sales tax divide about evenly on assigning a high or a low rating to this policy role. This comment by a 0 per cent official may well exemplify the feelings of many tax leaders in his group:

Our city government has in the past actively sought industry--placing themselves in the position of a chamber of commerce. However, they have ceased these activities because their efforts seemed to be encouraging citizens to expect city government to provide them with all services--some of which should be community projects (such as youth centers, senior citizens activities, etc.). (Official 206)

¹⁷This item is essentially the same as one published in Ronald O. Loveridge, City Managers in Legislative Politics (Indianapolis: The Bobbs-Merrill Company, Inc., 1971) pp. 172 and 185.

TABLE 4-1

RANK-ORDER OF POLICY ROLES OF GOVERNMENT AS PERCEIVED BY LOCAL OFFICIALS, BY LOCAL SALES TAX RATE (in percentages)

Policy Role and Rank-Order Are:	Sales Tax Rate			Total
	0% Cities	1% Cities	2% Cities	
Economic growth				
First	58.3	73.2	80.3	71.5
Second	10.0	16.9	6.6	11.1
Third	16.7	7.0	9.2	10.6
Fourth	<u>15.0</u>	<u>2.8</u>	<u>3.9</u>	<u>6.8</u>
Total	100.0	99.9	100.0	100.0
(N)	(60)	(71)	(76)	(207)
$x^2 = 17.521, p < .05$		gamma = -0.328		
Amenities				
First	3.3	9.9	5.3	6.3
Second	48.3	59.2	50.0	52.7
Third	23.3	12.7	19.7	18.4
Fourth	<u>25.0</u>	<u>18.3</u>	<u>25.0</u>	<u>22.7</u>
Total	99.9	100.1	100.0	100.1
(N)	(60)	(71)	(76)	(207)
$x^2 = 6.343$		gamma = -0.017		
not significant at .05 level				
Small government				
First	23.3	9.9	7.9	13.0
Second	23.3	14.1	15.8	17.4
Third	46.7	50.7	50.0	49.3
Fourth	<u>6.7</u>	<u>25.4</u>	<u>26.3</u>	<u>20.3</u>
Total	100.0	100.1	100.0	100.0
(N)	(60)	(71)	(76)	(207)
$x^2 = 16.609, p < .05$		gamma = 0.310		
Arbitration				
First	15.0	7.0	6.6	9.2
Second	18.3	9.9	27.6	18.8
Third	13.3	29.6	21.1	21.7
Fourth	<u>53.3</u>	<u>53.5</u>	<u>44.7</u>	<u>50.2</u>
Total	99.9	100.0	100.0	99.9
(N)	(60)	(71)	(76)	(207)
$x^2 = 13.991, p < .05$		gamma = -.060		

NOTE: Percentages do not always total 100 because of rounding.

In contrast, more than three-fourths of the officials from both the 1 and the 2 per cent cities put little emphasis on a non-expansive policy role for their local governments.

The figures for the amenities role are not statistically significant according to the χ^2 test, and the gamma score indicates no particularly strong trend.¹⁸ Nonetheless, the percentages for the 1 per cent officials contrast markedly with those for the other two groups of officials. Almost 70 per cent of the leaders from 1 per cent cities give amenities a high rating, whereas the 0 and 2 per cent officials split about 50/50 on this policy role. One might speculate that high proportions of all three groups of officials see amenities as supplementing economic growth. But perhaps in cities which have not "gone all the way" with the sales tax, officials sense something of an ambivalence within their communities with respect to both the economic growth and the small government orientations. The general tenor of the Williams and Adrian typology at least suggests this sort of "two-way pull" in the amenities role. One official's comment brings out some of the "flavor" of this ambivalence:

¹⁸Since this is an exploratory study, I am using tables mainly to suggest hypotheses for future testing, not to indicate verification evidence. This point should be borne in mind whenever I discuss tables with results which are not "statistically significant."

Communities traditionally have problems in excess of their financial ability to handle them. The people themselves have created their own burden of taxation as for the most part they have demanded an expanded level of services including . . . social amenities over and above water, sewer, streets and refuse. In a sense, taxpayers contract with the city to provide social counseling, youth services and other things which were once the responsibility of free enterprise or civic groups. As the job specs increase in scope, so must the tab be expected to increase.
(Official 303)

All three groups tend to downplay the arbitration role. Interestingly, the 1 per cent officials stand out again--this time in assigning a low priority to arbitrating conflict. Actually, as Dye observes, arbitration is not a policy role because it emphasizes the decision-making process instead of the substance of government action.¹⁹ Bearing this in mind, one might well interpret the officials' responses in several ways. For example, interest group conflict might have relatively low salience for officials in all three categories of cities, especially those from 1 per cent cities. This seems plausible in light of the relatively homogeneous character of most cities and towns in Oklahoma. Perhaps the officials do in fact perceive "substantial agreement on the proper policies for government to follow."²⁰ Or maybe the agreement is

¹⁹Thomas R. Dye, Politics in States and Communities (2d ed.; Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1973), pp. 273-274.

²⁰Ibid., p. 274.

primarily among the leaders themselves, and the officials have something of a "public-be-damned" attitude, as Prewitt's "norm of volunteerism" suggests.²¹ These latter two possibilities receive more attention later in the chapter, incidentally. Finally, one might simply conclude that arbitration is not a good category within the overall classification scheme.

The overall figures show some interesting similarities and differences with earlier research based on the Williams and Adrian typology. For instance, Booth's survey of 136 managers of small cities throughout the United States indicates that 53 per cent identified economic growth as the main role of their municipal governments; 24 per cent, amenities; 15 per cent, small government; 1 per cent, arbitration; and 8 per cent, a combination of roles ("transitional-composite" role).²² And Downes reports that 74 per cent of the St. Louis councilmen ranked economic growth first or second; 82 per cent, amenities; 37 per cent, "caretaker" government; and 19 per cent,

²¹Kenneth Prewitt, "Political Ambitions, Volunteerism, and Electoral Accountability," American Political Science Review, LXIV (March 1970), pp. 5-17; Kenneth Prewitt, The Recruitment of Political Leaders: A Study of Citizen-Politicians (Indianapolis: The Bobbs-Merrill Company, Inc., 1970).

²²David A. Booth, Council-Manager Government in Small Cities (Washington, D.C.: International City Managers' Association, 1968), p. 43. Percentages computed.

arbitration.²³ These figures generally suggest that in comparison with their counterparts in other parts of the country, Oklahoma municipal officials tend to place somewhat greater emphasis on economic growth and to assign a lesser degree of importance to amenities. The other two categories seem to receive roughly the same amount of stress.

In this and preceding chapters, I have suggested a number of ways in which one might find linkages between local sales tax rates, relative degrees of reliance on different categories of revenue, governmental policy roles, and officials' revenue-raising preferences. Accordingly, to "round out the picture" by relating community context to the immediate situation, I devised four revenue-raising methods and asked the respondents to rank them in order of their preferences for obtaining additional funds for their cities and towns. These methods--corresponding to the "direct impact taxes," "sales and services," "intergovernmental revenue," and "indirect revenue" source-categories discussed in Chapter II--involved passing a local sales tax, raising more money from utilities, obtaining a grant-in-aid, and increasing the cost of permits and licenses. Appendix A, item 2, gives the wording of the question and the possible responses. The reader should note that the sales tax

²³Downes, "Municipal Social Rank . . . ," p. 535.

option stipulated no legal upper limit on the levy. I included this proviso so that the 2 per cent officials could feel free to rank the sales tax wherever they wished. Table 4-2 shows the rather surprising responses to the question.

Officials from all three groups of cities tend to look on the sales tax with great favor. But contrary to expectations, the 0 per cent officials opt for the levy in much greater proportions than do officials from the sales tax cities. Indeed, about 95 per cent of the former group rank the sales tax as their first or second choice. In contrast, "only" about three-fourths of the 1 and the 2 per cent officials give the sales tax comparable rankings.

In light of the patterns developed in this and previous chapters, I understate the case when I say that these responses puzzled me at first. Then I recalled the rapid spread of the sales tax in recent years, and immediately I suspected that the "rush of events" was influencing the answers. A quick check of data from the Oklahoma Tax Commission lent strong support to this suspicion: between June 30, 1972 (the cutoff date for collecting financial data), and May 1973 (the end of the survey of officials), seven of the 14 municipalities in the 0 per cent category approved local sales tax

TABLE 4-2

OFFICIALS' RANK-ORDER PREFERENCES FOR RAISING ADDITIONAL REVENUE,
BY LOCAL SALES TAX RATE (in percentages)

Revenue-Raising Preference and Rank-Order Are:	Sales Tax Rate			Total
	0% Cities	1% Cities	2% Cities	
City sales tax				
First	76.6	57.7	56.3	62.6
Second	18.8	19.2	17.5	18.5
Third	3.1	16.7	13.8	11.7
Fourth	<u>1.6</u>	<u>6.4</u>	<u>12.5</u>	<u>7.2</u>
Total	100.1	100.0	100.1	100.0
(N)	(64)	(78)	(80)	(222)
$x^2 = 14.832, p<.05$			gamma = 0.285	
Utilities				
First	4.7	11.5	18.8	12.2
Second	48.4	39.7	33.8	40.1
Third	28.1	24.4	30.0	27.5
Fourth	<u>18.8</u>	<u>24.4</u>	<u>17.5</u>	<u>20.3</u>
Total	100.0	100.0	100.1	100.1
(N)	(64)	(78)	(80)	(222)
$x^2 = 9.227$, not significant at .05 level			gamma = -0.074	
Grant-in-aid				
First	17.2	26.9	22.5	22.5
Second	12.5	17.9	23.8	18.5
Third	31.3	17.9	22.5	23.4
Fourth	<u>39.1</u>	<u>37.2</u>	<u>31.3</u>	<u>35.6</u>
Total	100.1	99.9	100.1	100.0
(N)	(64)	(78)	(80)	(222)
$x^2 = 7.330$, not significant at .05 level			gamma = -0.115	
Permits & licenses				
First	1.6	3.8	2.5	2.7
Second	20.3	23.1	25.0	23.0
Third	37.5	41.0	33.8	37.4
Fourth	<u>40.6</u>	<u>32.1</u>	<u>38.8</u>	<u>36.9</u>
Total	100.0	100.0	100.1	100.0
(N)	(64)	(78)	(80)	(222)
$x^2 = 2.408$, not significant at .05 level			gamma = -0.041	

NOTE: Percentages do not always total 100 because of rounding.

referenda.²⁴ This suggested that the 0 per cent officials in many places had finally found the way to "catch-up" with their counterparts in the sales tax cities. It was almost as if I had been asking a bunch of kids whether they liked their new Christmas toys.

The rankings for the other three revenue sources show no significant associations, but some are suggestively interesting nonetheless. For example, the number one rankings on utilities perhaps indicate that officials everywhere perceive a great deal of public opposition to increased reliance on this traditional revenue source, and that they tend to share this sentiment to a considerable extent. This official's comment is typical:

I feel and most people . . . feel that our municipal fees are too high. (Official 152)

But as the combined one and two rankings reveal, the opposition does not seem to be so intense that officials would tend to rule out public enterprises as politically feasible sources of additional money. After all, "sales and services" remain their primary money-makers. As one official puts it:

We are a very fortunate city to have money to work and build our city. Most of our revenue comes from

²⁴Oklahoma, Tax Commission, Information/Research Section, "City Sales Tax Collections: Fiscal Year 1965-1966 through Fiscal Year 1972-1973," Oklahoma City, n.d. (Mimeographed.)

our electric which we buy from Public Service and sell to our people. Some complain that our rates are high, but we must finance our city government. When you explain, most of them agree
(Official 165)

Regardless of their revenue-raising preferences, the comments of officials indicate that they perceive a close political interrelationship between the local sales tax and public enterprises. Some think that utilities are more equitable:

I think in a town our size (2500 . . .), city sales tax puts a burden on the working and fixed income people, but all the big shots shop out of town anyway, and we tax the class of people we are trying to entice to shop with us. Increase in utilities taxes everyone more evenly. (Official 202)

Others believe that "sales and services" make the tax unnecessary:

The city . . . owns electric and water systems and because sufficient income has been derived from electric sales, no sales tax proposition has ever been presented to a vote of the people. (Official 206)

But many see city sales tax as a means of escaping political heat generated by the utility plants:

Lower fixed income people in this size community strongly oppose the utility raise. However, they will support a sales tax if you can, through the news media, service clubs, etc., prove a need.
(Official 227)

The city . . . has passed two sales tax increases in the last six years It seems that the people . . . are aware of our needs and were willing to see that we would be able to get the money through sales

tax. However, if we tried to add another fifty cents to the sanitation charge, they would not be able to understand it. They seem to think that service should be free, and that it is already too high. But I would venture to say it is probably the cheapest in the state. (Official 294)

The rankings for grants-in-aid seem consonant with the overall reliance rankings shown in Table 2-4, Chapter II. All three groups of officials tend to downplay the importance of this category. But the 0 per cent officials appear to be appreciably less enthusiastic about it than do officials from the sales tax cities. This finding suggests a couple of points which receive attention later on. First, officials from the no-sales-tax cities may tend to have a more self-reliant orientation toward municipal finances than do their counterparts in the sales tax cities. And second, officials from sales tax cities may be viewing grants-in-aid more favorably because they perceive rising psychological barriers to financing further "progress" through increased taxes.

Nobody appears to have much faith in permits and licenses. Like Williams and Adrian's arbitration category, it presents difficulties in both application and interpretation. One of the respondents ranking it fourth showed me the error of my ways: "These wouldn't get you much money in a small town."

Partly in keeping with earlier expectations, the officials tend to associate an economic growth policy orientation with a preference for the sales tax as a means of obtaining additional revenue. But no sharp differences appear among the three groups of leaders. Some 48 per cent of the responding 0 per cent officials assign number one rankings to both economic growth and the sales tax. For both the 1 and the 2 per cent leaders, the comparable figure is 44 per cent. Interestingly, some 20 per cent of both the 1 and the 2 per cent officials rank economic growth and grants-in-aid as number one. Only about 7 per cent of the no-tax group hold the same view. All of the other top-rank pairings produced such low percentages that they warrant no further discussion.

The analysis to this point seems to have led to somewhat mixed and inconclusive results. Chapter II shows that as the local sales tax rate goes up, relative reliance on that levy increases. Moreover, the cities with a sales tax tend to have a rather diversified "mix" of important revenue sources, whereas the 0 per cent cities tend to rely heavily only on public enterprises. Chapter III suggests that cities with higher tax rates tend to have officials who would, in comparison with their counterparts elsewhere, be more progressive and innovative in their approach to municipal problems and policies.

In this chapter, the discussion of perceived policy roles of government seems to support the general thrust of the patterns appearing in the earlier chapters. As the sales tax rate rises, an orientation toward economic growth increases markedly. And the proportion of officials perceiving a small government role is much greater in the 0 per cent cities than it is in the sales tax cities. But when one looks at revenue-raising preferences, a reversed pattern appears. The proportion of 0 per cent officials highly favorable toward the sales tax is appreciably greater than is the case with officials from municipalities with a sales tax. This finding becomes somewhat less puzzling when one considers that one-half of the 0 per cent cities passed a local sales tax during the data collection phase of this study.

In short, the analysis thus far provides a number of useful insights into why some cities rely on the local sales tax more than others do. And it lends support to the idea that tax leaders play a crucial part in accounting for differences in municipal tax and revenue policies. Moreover, it suggests that the basic research question needs to include a dimension focusing on why some cities have waited longer than others have to start using the sales tax. An exploration of perceived community tax climate seems like a good place to begin attacking this problem.

Community Tax Climate

Patterson describes "political culture" as a somewhat open-ended, multi-faceted, and sensitizing notion. It employs a variety of cognitions, values, and emotional commitments; it tends to interrelate a number of analytically distinct dimensions of a political system; and it enhances one's sensitivity to subjective orientations in politics.²⁵ Almond and Verba suggest that the

relationship between the attitudes and motivation of the discrete individuals who make up political systems and the character and performance of political systems may be discovered systematically through the concepts of political culture In other words, the connecting link between micro- and macropolitics is political culture [Hence,] we can relate political psychology to political system performance by locating attitudinal and behavioral propensities to the political structure of the system.²⁶

Thus, as Pye observes, the political culture approach involves a presumption that the political system operates "as if" certain values, sentiments, and orientations are critical in distinctively characterizing a collectivity. Moreover, these subjective factors need not necessarily be the ones most

²⁵Samuel C. Patterson, "The Political Cultures of the American States," Journal of Politics, XXX (February 1968), p. 188.

²⁶Gabriel A. Almond and Sidney Verba, The Civic Culture: Political Attitudes and Democracy in Five Nations (Abridged ed.; Boston: Little, Brown and Company, 1963, 1965), p. 32.

distinctive among all the attitudes within a given population.²⁷ Accordingly, this part of the analysis limits the scope of both subjective factors and structure by focusing on perceived differences in community orientations toward local taxation (i.e., the perceived community tax climate) and relating them to variations in the municipal sales tax rate. This approach is somewhat reminiscent of Alford's effort to use community economic base as the key independent variable related to differences in local community cultures.²⁸

One approach to the tax climate problem is to assume that differences in the sales tax rate are associated with variations in a sort of composite community orientation toward progressiveness, civic responsibility, and support of political leaders. One can readily find justification for such an assumption in much of the literature dealing with communities. Swanson, for example, contends that Americans have an ethos of progress and community-expanding boosterism which encourages leaders and communities to strive to increase various local

²⁷Lucian W. Pye, "Culture and Political Science: Problems in the Evaluation of the Concept of Political Culture," in The Idea of Culture in the Social Sciences, ed. by Louis Schneider and Charles M. Bonjean (Cambridge, England: Cambridge University Press, 1973), p. 73.

²⁸Alford, Bureaucracy and Participation.

attributes to the point that they are the very best.²⁹ Boskoff and Zeigler and Banfield and Wilson call attention to the way in which a sense of civic responsibility among community members is closely associated with a willingness to assume the financial burdens necessary to underwrite desired expansions of public goods and services. Persons with civic responsibility are frequently motivated by concerns over such things as "community need" and "local progress."³⁰ As for support, Patterson calls for additional empirical research on beliefs supportive of regimes.³¹ Meltsner makes a similar appeal specifically with respect to local taxation.³² And Schmoelers interestingly ties together psychological differences in general culture and community tax climate with this comment:

The main task of fiscal psychology remains . . . to analyze the direct resistance to direct taxation of individuals and nations according to their general "tax mentality." Such tax mentality can be shown to

²⁹Bert E. Swanson, The Concern for Community in Urban America (New York: Odyssey Press, 1970), pp. 123-124.

³⁰Alvin Boskoff and Harmon Zeigler, Voting Patterns in a Local Election (Philadelphia and New York: J. B. Lippincott Company, 1964), pp. 101-102; James Q. Wilson and Edward C. Banfield, "Public-Regardingness as a Value Premise in Voting Behavior," American Political Science Review, LVIII (December 1964), pp. 876-887.

³¹Patterson, "The Political Cultures of the American States," pp. 189-190.

³²Meltsner, The Politics of City Revenue, p. 284.

differ widely between different peoples of Europe. Whereas, in the Latin world, the word tax means something felt as an "imposition" upon the citizens (impôt, imposto, impuesto), the German word, Steuer, means "support" and the Scandinavian, skat, the common treasure destined for common purposes. On the basis of such different national tax mentalities, which are closely connected with the citizens' community-mindedness in general, individual tax-mindedness develops by personal experiences.³³

Empirical research has produced widely varying results as to the degree of self-sacrificing orientations toward progress, civic responsibility, and support to be found in various places.³⁴ But some evidence exists to support the notion that the climate for increased taxes might--surprisingly enough--be highly favorable in communities with a pronounced "business culture." In his case study of "Mayburg,"

³³G. Schmoelders, "Fiscal Psychology: A New Branch of Public Finance," National Tax Journal, XII (December 1959), pp. 341-342.

³⁴For optimistic views, see, for instance, Boskoff and Zeigler, Voting Patterns in a Local Election; Wilson and Banfield, "Public-Regardingness . . ."; Meltsner, The Politics of City Revenue. In contrast, see, for example, Angus Campbell et al., The American Voter (New York: John Wiley & Sons, Inc., 1960), pp. 204-205; Lewis Bowman, Dennis S. Ippolito, and Martin L. Levin, "Self-Interest and Referendum Support: The Case of a Rapid Transit Vote in Atlanta," in People and Politics in Urban Society, ed. by Harlan Hahn, Urban Affairs Annual Reviews, Vol. 6 (Beverly Hills, California: Sage Publications, 1972), pp. 119-136; Ronald G. Claunch, "Voter Reactions to Missouri Sales Tax Referenda: The Role of Self-Interest, Public-Regardingness and Political Trust" (unpublished Ph.D. dissertation, University of Missouri, Columbia, 1972).

Iowa, Smith shows that public officials, business leaders, and the general public all tended to rank business-oriented symbols considerably higher in prestige than they did political symbols.³⁵ In addition, Prewitt, among others, indicates that local officials tend not to view themselves as politicians and also to see a convergence or interchangeability of governmental, civic, and business spheres.³⁶ And in this study, the earlier discussion of the tax leaders' social characteristics and orientations toward economic growth suggests positive associations between "progressive" businessmen and higher local sales tax rates. Hence, one might reasonably expect to find that a tendency for officials to perceive a favorable tax climate is positively associated with increased local sales tax rates.

To explore the officials' perceptions of their community tax climate, I devised four statements designed to elicit a pattern of basic orientations on the progressiveness, civic responsibility, and supportiveness of their localities. The respondents were asked to rank each statement on a scale from one (strongly agree) to six (strongly disagree). There was no

³⁵Paul A. Smith, "The Games of Community Politics," Midwest Journal of Political Science, IX (February 1965), pp. 42-43.

³⁶Prewitt, The Recruitment of Political Leaders, pp. 164-165.

middle or neutral category, but for mean scores, 3.5 would be the theoretical midpoint. Means above that point would indicate extent of agreement; means below, extent of disagreement. Means for each of the three groups of officials were computed. In addition, the mean of the four means was calculated and used as an index of favorable tax climate. The lower the score, the more favorable a given aspect of community tax climate is perceived to be. Table 4-3 shows the results of this effort.

TABLE 4-3
OFFICIALS' MEAN RESPONSES TO COMMUNITY TAX CLIMATE STATEMENTS,
BY LOCAL SALES TAX RATE

Statement	Sales Tax Rate		
	0% Cities	1% Cities	2% Cities
1. People here have a progressive spirit and want to boost the community.	2.49	2.16	2.21
2. The people here have a good sense of civic responsibility when it comes to facing up to community problems.	2.21	2.16	2.12
3. In general, people here support the efforts of their city officials to cope with the problems facing the city.	2.14	2.05	1.96
4. In general, people here will support a tax increase if their city officials show them the need for one.	2.05	2.49	2.04
Index of perceived tax climate: (N)	2.27 (63)	2.22 (80)	2.08 (81)

In general, Table 4-3 indicates very little difference among the three groups of officials. They all seem to perceive a relatively high degree of progressiveness, civic responsibility, and supportiveness in their communities. If one makes finer distinctions, however, some of the trends are at least suggestively interesting. Statement 1, for example, indicates that the 0 per cent officials seem to perceive noticeably less progressivism in their cities and towns than is the case elsewhere. This seems to be in keeping with expectations raised by earlier analysis in this and preceding chapters. Statements 2 and 3 show tendencies--slight though they may be--for perceived civic responsibility and general public support to increase as the sales tax rate rises. With respect to statement 4, the relatively high score for the officials from 1 per cent cities suggests a perceived psychological barrier to taking full advantage of the municipal sales tax. In addition, one might at least surmise that the 0 per cent officials' mean score for statement 4 would be appreciably higher if it were not for the fact that one-half of the cities in this group passed a local sales tax during the data collection period. Finally, bearing this latter point in mind, the trend of the tax climate index scores gives something of a clue as to why some cities have relied more on

the local sales tax and have moved to use it sooner than others have. As the sales tax rate rises, one sees a slight but possibly significant tendency for local tax leaders to perceive a community climate more generally favorable to tax increases.

The comments of some of the officials tend to corroborate the patterns revealed in Table 4-3. These officials from sales tax cities consider their communities to be indeed progressive:

[This comment follows a lengthy description of various ways that the city helps citizens and visitors.] We feel when you quit helping people, you quit being a "Good Little Town" and become an Organization [We] have the BEST TOWN IN THE UNITED STATES. If you don't live here, you ought to move here. We're both losing if you don't. (Official 160)

The city . . . has a great many dedicated citizens, I mean the kind you can call on when you need to get something done I think we have one of the best small cities in the entire country. (Official 241)

[We have the] most progressive type of people you will ever come across [D]uring the last three years [we have] won Chamber of Commerce City of Year award [and have passed several sales-tax and capital-improvements bonds proposals] . . . simply because the people backed everything the City Council and the Chamber brought before them We work better together. (Official 110)

And one can almost sense the improving tax climate in the following comments by 0, 1, and 2 per cent leaders respectively:

Quite a number of our citizens are older and went through the depression and are on the so-called tight side. Our only industry being farming and ranching and the old timers holding on to their land leaves no place for the younger citizen; therefore they are moving on, causing the lack of community interest. The older citizen is scared to let our community grow for fear of additional taxes. (Official 074)

Our people seem to be in a semi-satisfied position in regard to the community status-quo. However, we are going forward and growing very slowly in spite of it. Probably the main reason is a lack of leadership in the area. There is talk of big progress, but no one will lead out [We must provide more] education and leadership for . . . new expansion . . . and future development in our community. (Official 118)

My city has passed two separate one cent sales tax--by votes of over three to one. [People here] generally have a progressive attitude. (Official 286)

Community Self-Reliance Values

Having examined the overall community tax climate perceived by local tax leaders in Oklahoma, I then shifted the focus to the leaders' normative assessment of the sort of tax and revenue values which should be guiding their communities. Presumably, since they all tend to perceive a relatively favorable and supportive community tax climate, the leaders might well try to translate these values into specific tax policies. If this were the case, the local sales tax rate should provide something of a measure of the way in which municipal tax policies are a reflection of the leaders' values.

I decided to explore this matter through the general theme of community self-reliance. The idea that "home folks" can best handle local problems furnishes an important--if not the major--rationale for establishing municipal governments. A good deal of the controversy in urban politics revolves around questions of local independence and "self-determination"--as the current bussing-of-school-children issue amply illustrates. And since most local problems sooner or later acquire a critical financial dimension, fiscal self-reliance presents municipal leaders with a thorny issue in terms of political philosophy, practical politics, and day-to-day administration.

Relationships between the local sales tax and outside financial assistance seem like an interesting way of examining this problem, for one might well find leaders looking on the tax in at least one of two ways. On the one hand, they might view the city sales tax as a means of decreasing their reliance on and subservience to state and federal "meddlers." They might join Vidich and Bensman, for instance, in bemoaning what they consider to be abdications or compromises of local autonomy, decision-making authority, and jurisdictions in favor of higher levels of government--particularly in fiscal matters.³⁷

³⁷Arthur J. Vidich and Joseph Bensman, Small Town in Mass Society: Class, Power and Religion in a Rural Community (Rev. ed.; Princeton, New Jersey: Princeton University Press, 1968). See p. 113, especially.

On the other hand, they might perceive their intergovernmental relations more in terms of useful assistance which has little or no detrimental effect on local "say-so." A survey of Minnesota municipal officials reveals that the respondents tended to hold this view.³⁸ Accordingly, the sales tax might be seen as a way of increasing outside financial assistance and meeting public demands for tax relief. For instance, the sales tax can provide matching funds for grants-in-aid, and it serves as a measure of local effort in determining federal revenue-sharing apportionments. And as Meltsner and associates report after a 1967 study in California, citizens strongly desire changes in the local school-financing system. Some 80 per cent of those polled thought that the schools should rely mainly on revenue sources other than those generated locally.³⁹

If one looks at these matters in terms of differences in the local sales tax rate, he might reasonably speculate that as the municipal sales tax rate increases, values favoring

³⁸Edward W. Weidner, Intergovernmental Relations As Seen by Public Officials, Intergovernmental Relations in the United States As Observed in the State of Minnesota, Research Monograph No. 9 (Minneapolis: The University of Minnesota Press, 1960), pp. 79-89.

³⁹Arnold J. Meltsner et al., Political Feasibility of Reform in School Financing: The Case of California (New York: Praeger Publishers, 1973), Chapter One. See p. 13, especially.

community self-reliance decrease. This line of thinking would be in keeping with the governmental role orientations and revenue-raising preferences brought out earlier.

To test this notion, I devised four "six-point agree-disagree" statements designed to bring out basic orientations toward local self-reliance in fiscal affairs.⁴⁰ And to inject some intensity of feeling into the analysis, I wrote the statements so that the subject matter ranged from an almost platitudinous concern with community self-reliance through attitudes on the propriety of obtaining outside assistance to the highly controversial issue of the desirability of federal revenue-sharing. I analyzed the responses in the same manner as that described for the statements in Table 4-3 except that the frequencies for statement 1, regarding general self-reliance, were reversed for the sake of consistency. Accordingly, the higher the mean score, the more highly is local self-reliance prized. Table 4-4 shows the results of this analysis.

In general, Table 4-4 reveals that the lower the sales tax rate, the more likely it is that officials from cities with that rate will highly value local self-reliance. And differences among the three groups of leaders tend to become sharper

⁴⁰Two of the statements were adapted from Meltsner's interview schedule. See Meltsner, The Politics of City Revenue, p. 288.

TABLE 4-4

OFFICIALS' MEAN RESPONSES TO COMMUNITY SELF-RELIANCE STATEMENTS,
BY LOCAL SALES TAX RATE

Statement	Sales Tax Rate		
	0% Cities	1% Cities	2% Cities
1. Basically, the city should [not] be self-reliant and draw on its own resources when it comes to solving community problems.	5.13	5.13	4.79
2. The city can and should obtain financial support from county, state, and federal agencies.	2.40	2.29	2.00
3. The city should be more aggressive in going after financial assistance from county, state, and federal agencies.	2.89	2.32	2.42
4. Federal revenue-sharing is a good thing for this community.	2.89	1.96	1.84
Index of self-reliance:	3.33	2.93	2.76
(N)	(63)	(80)	(81)

as the issue involved grows more controversial. In short, the expected patterns--though not too sharply drawn in most cases--do nevertheless appear. And they are consistent with the governmental policy role orientations and revenue-raising preferences discussed earlier. Taken together, these things suggest that differences in tax leaders' self-reliance values

provide an important clue in accounting for differences in reliance on the local sales tax.

One of the most interesting things about the statements is the strong responses which they evoked. For example, about 50 per cent of the 0 and the 1 per cent officials strongly agree that the community should be self-reliant; only about 30 per cent of the 2 per cent officials hold similarly intense feelings. In contrast, roughly one-half of the 1 and the 2 per cent leaders strongly agree that their cities can and should obtain outside financial assistance; the comparable fraction for the 0 per cent leaders drops to about two-fifths. However, more than 80 per cent of the leaders from each of the three groups agree with this statement. In comparison, some 71 per cent of Oakland's "citizen-leaders" agreed with a similarly worded question.⁴¹ The Oklahoma leaders are, however, somewhat less enthusiastic than the Oakland citizens with respect to pursuing outside funds more aggressively. Whereas some 90 per cent of the Oakland respondents favored this course of action,⁴² the comparable figures drop to less than 70 per cent for the no-tax officials and about 80 per cent for the other two groups. Interestingly, the 1 per cent leaders are

⁴¹Ibid., p. 228.

⁴²Ibid., p. 231.

much more emphatic on the matter of increased aggressiveness. Only about 20 per cent of the no-tax officials and slightly more than 30 per cent of the 2 per cent officials strongly agree with this statement. In contrast, more than 40 per cent of the 1 per cent officials strongly agree. This seems to be consistent with earlier findings about the 1 per cent officials' economic growth-small government ambivalence and their perceptions of less support for a tax increase. The sharpest distinctions of all appear in the responses to the revenue-sharing statement. The percentages of "strongly agree" responses are as follows: 0 per cent officials--36.5 per cent; 1 per cent officials--57.5 per cent; 2 per cent officials--53.1 per cent.

These four statements apparently hit a sensitive nerve among the tax leaders, for they produced not only high percentages of "strongly agree" responses but also the largest number of added comments. As noted earlier, the local self-reliance issue involves both ideological and practical considerations. These factors seem influential in the comments of officials from all three groups of cities. In fact, if one considers these "commentators" as a single group, he can come up with an interesting typology relating the officials' orientation toward financial self-reliance to their more general philosophical outlook. The typology looks like this:

Philosophical
Outlook

	<u>Self-Reliance Orientation</u>		
	Independent	Ambivalent	Interdependent
Ideologue	X		X
Pragmatic- Ideologue		X	
Pragmatist	X	X	X

The independent ideologue comes on with strongly ideological overtones. Here are some representative comments:

When local government is financed by the Federal government, you will have total Federal control. I am strongly against this. (Official 073)

Cities should arrange for their own finances and not depend on the state or [federal] government. (Official 225)

I think the federal government is trying to help, but we are getting like spoiled children. Everytime we want something we ask them for it, and we are slowly losing control of our own local government and self-respect. (Official 202)

Independent pragmatists tend to favor self-reliance because outside assistance means administrative hassles, economic problems, and legal constraints.

We're slightly against Revenue Sharing, etc., because of the "red tape" involved. If a city can afford projects, it's much better off to get them done itself than to go through the Government We usually solve our own problems. (Official 160)

This is a small town (1200 pop.) and state and federal governments place so many restrictions and regulations that do not fit small town problems that it makes it difficult for a town council to fit small town

requirements into regulations that are enacted for governing larger towns. In other words, the cost of meeting government requirements places a heavy load on small town governments. (Official 181)

Federal Revenue Sharing is just like setting out one small bowl of ice cream with 20 spoons. (Official 063)

We are gearing the city to the amount received from revenue sharing. When it ends, we'll have to raise taxes so I feel it is going to be trouble in the end. (Official 038)

I do not feel that a law should have been passed which limited sales tax to a total of 4%. Cities and towns should have been permitted to handle their own affairs. (Official 111)

I believe financing of local government is a local problem Financing from state and federal governments puts more restriction on the operation of your city and tends to take the operation and affairs out of the local level. (Official 193)

I can't believe that revenue sharing is the answer to most city problems as there are too many restrictions as to what a city can use it for. I am afraid many cities will start projects that will have no way of completing should revenue sharing fail or cease to exist. I hope I am wrong. (Official 172)

The ambivalent pragmatic ideologue wants to be independent, but he sees everyone else getting outside money to solve local problems. Accordingly, "in principle" he opposes inter-governmental fiscal assistance. However, he reluctantly concludes that "in practice" he has no choice but to accept it.⁴³

I answer some of these questions reluctantly because there is doubt in my mind. I believe a city should

⁴³Ibid., p. 228.

stand on its own feet as far as possible. With such rising costs facing our cities today, it may become necessary to ask for help from all available sources in order to offer satisfactory services to its citizens. My feeling is that Federal Revenue Sharing is not the solution to our city problems. I believe that if more Federal spending was limited, our cities, schools and counties would have more local money available for support. (Official 019)

I feel very strongly that the local government should do everything possible for itself, but as long as all the personal income tax goes to Washington we have to look there for aid (Official 101)

Federal Revenue Sharing has been a good thing for our city I believe our city should receive mileage from the county, also those taxes from the state such as gasoline, mileage, vehicle, etc., that we are entitled to, but I do not believe we should look to the state or federal government for hand-outs. (Official 222)

There are many here who feel that funds accepted from other government agencies surrender control commensurate with the amount of the funds accepted. While I don't agree entirely with this point of view, I still applaud the "do it yourself" concept. (Official 205)

I am of opinion all cities and towns have grown accustomed to receiving grants and matching funds to help stretch their budgets. Being accustomed to these things during the last eight or ten years, it will be hard for municipalities to do business within their own budget. Government money is not free by any means. However, as long as our Government continues to pour money by the billions into foreign countries and keep spending over the Federal budget, then I feel cities and towns should continue getting all money possible from our Government I believe there will come a day when Congress will look back and wonder why more was not spent in our cities and towns rather than so much for so long to foreign countries. (Official 237)

Ambivalent pragmatists have no philosophical qualms about outside financial aid. They do, however, worry about inequities and uncertainties in the arrangements for handing out money.

Federal revenue sharing costs you to get it. Other towns may pay less and get more money. (Official 320)

My objection to revenue sharing for our town is because the formula upon which it is based is grossly unfair. The amount we received was only \$1.45 per capita, while other cities received more than \$12.00 per capita. (Official 183)

Revenue sharing would be good for the city if we knew how many years it could be depended upon. (Official 138)

The interdependent ideologue thinks that it is "right" for his city to receive intergovernmental financial assistance. Going after more money constitutes a moral obligation of public office.

We have purchased an \$11,000 fire truck in order to keep insurance rates down. This was done with \$11,000 of a \$22,000 revenue sharing. It sure helps to receive deserved money. (Official 296)

I would feel remiss and negligent if I didn't go after all federal funds available since Congress has appropriated them , and some other towns will get it if we don't As long as [Congress puts up money,] you owe it to your town to go after it. (Official 052)

The interdependent pragmatists favor outside assistance because it bestows political benefits. They just wish that the money would come in faster.

I'm indeed thankful for revenue sharing. It has made our two years in office look good. The groundwork was laid by a mayor that people didn't like, nor did he have the money to spend that the present administration has. (Official 173)

I think the State and Federal agencies don't act soon enough on aids or grants that the smaller towns or cities have requested assistance on (Official 180)

The Tax Policy Environment in Brief

In general, one can say that as the municipal sales tax rate rises, officials' perceptions of economic growth policy roles for their cities tend to increase. And a reverse sort of relationship appears with respect to the small government policy role. Contrary to expectations, however, officials from cities with no local sales tax tend to favor the sales tax much more than do their counterparts in the 1 and the 2 per cent cities when it comes to preferences for sources of additional revenue. Perhaps one can partly account for this situation by noting that many of the 0 per cent cities played "catch-up" during the data collection period and by surmising that some leaders in the sales tax cities may be perceiving a psychological barrier to further tax increases. This line of thought may help explain the slight differences among the three groups of officials with respect to perceptions of the community tax climate. And given these conditions, it does seem

important that one can still discern something of a trend for higher sales tax rates to be positively associated with perceptions of an increasingly favorable tax climate. Finally, as the sales tax rate decreases, values favoring local self-reliance tend to increase. The relationships noted for the community tax climate and local self-reliance values seem to be consistent with the findings concerning municipal policy roles.

Immediate Concerns in the Tax Policy Process

The analysis of the tax policy environment stresses attitudinal differences among the three groups of officials. But in many cases, their similarities in orientation are equally striking. Moreover, unexpected results appear in the attempt to establish a continuity and consistency between perceptions of environmental policy roles of government and immediate preferences for sources of additional revenue. These things suggest that in exploring variations in municipal sales tax policies, one must go beyond the general "strategic" considerations of community culture and environment to an examination of elements of the immediate "tactical" situation in the political arena. Earlier research supports this notion. For instance, Prewitt and associates argue that immediate, pressing demands of office are more important than background

experiences in explaining the political orientations and behavior of city councilmen and state legislators.⁴⁴ And Downes concludes that interactions with fellow councilmen and other community residents and exposure to institutional considerations and situational pressures probably account for a great many attitudinal similarities and differences found among St. Louis area councilmen. The political milieu of communities, he continues, is likely to condition these more immediate experiences. Nevertheless, one would probably be well advised to look beyond the general community context to other pressures and experiences if he wishes to explain local leaders' orientations and behavior satisfactorily.⁴⁵

Leaders and Followers' Views on Local Taxes and Spending

Both Eyestone and Meltsner emphasize that public officials' own subjective orientations toward local tax and spending levels and their perceptions of public opinion on these matters constitute critical variables in determining the success of policy leadership in coping with municipal financial

⁴⁴Kenneth Prewitt, Heinz Eulau, and Betty H. Zisk, "Political Socialization and Political Roles," Public Opinion Quarterly, XXX (Winter 1966-1967), pp. 569-582.

⁴⁵Downes, "Municipal Social Rank . . . ," p. 537.

problems.⁴⁶ This suggests that an examination of leaders and constituents' views on local levels of taxes and spending might well provide useful insights into possible relationships between immediate concerns and variations in reliance on the local sales tax.

Officials' views

As a first step in exploring these matters, I asked the municipal officials what they thought about the current level of local taxes in their communities. Appendix A, item 7, gives the exact wording of the question and the possible responses.⁴⁷ Table 4-5 shows how the officials replied.

All three groups of officials hold remarkably similar views on the local tax level in their communities. The results of Table 4-5 reveal that surprisingly high proportions of officials think that local taxes are adequate to meet current community needs. In comparison, Downes reports that 68 per cent of the St. Louis area councilmen favored increasing

⁴⁶Eyestone, The Threads of Public Policy, pp. 59-60; Meltsner, The Politics of City Revenue.

⁴⁷This question was adapted from an item found in Morgan's public opinion survey instrument. See David Reid Morgan, "Suburban Differentiation and Metropolitan Political Integration" (unpublished Ph.D. dissertation, University of Oklahoma, 1969), p. 350.

TABLE 4-5

OFFICIALS' OPINIONS ON LOCAL TAX LEVEL, BY
LOCAL SALES TAX RATE (in percentages)

Local Tax Level Is:	Sales Tax Rate			Total
	0% Cities	1% Cities	2% Cities	
High	9.9	9.2	5.9	8.2
About right	57.7	69.0	65.9	64.6
Low	<u>32.4</u>	<u>21.8</u>	<u>28.2</u>	<u>27.2</u>
Total	100.0	100.0	100.0	100.0
(N)	(71)	(87)	(85)	(243)
$x^2 = 3.350$, not significant at .05 level; gamma = -0.000				

local taxes to provide better city services.⁴⁸ But Morgan offers figures closely paralleling those in this study. Of the Oklahoma City area councilmen in his survey, 12.5 per cent thought that local taxes were too high; 54.2 per cent, about right; and 33.3 per cent, too low.⁴⁹ In Oakland, however, public officials wanted lower taxes.⁵⁰

The 0 per cent tax leaders seem slightly less prone to a status-quo mentality than do their counterparts elsewhere.

⁴⁸Downes, "Municipal Social Rank . . . ," p. 531.

⁴⁹Morgan, "Suburban Differentiation and Metropolitan Political Integration," p. 265.

⁵⁰Meltsner, The Politics of City Revenue, pp. 51-68.

This unexpected finding possibly reflects the peculiarities of events during the data collection stage of this study, plus something of a continuing desire to "catch-up." Roughly 70 per cent of the 1 per cent officials consider local taxes to be about right. This relatively high proportion may provide a clue as to why their cities have not taken full advantage of the local sales tax as a revenue-raiser. An extremely low proportion of the 2 per cent officials thinks that local taxes are too high. This appears to be in keeping with earlier speculation about the progressiveness of tax leaders in this group.

In politics largely prohibited from indulging in deficit financing, spending levels roughly equate to tax and revenue levels. To see how local tax leaders view this part of the immediate situation, I asked them whether municipal services and spending should be decreased, held at present levels, or increased. Given the widespread satisfaction with current tax levels, one might reasonably expect to find similar views on expenditures and expansions of government. At the same time, however, some of the earlier analysis suggests that as the local sales tax rate rises, one might well find that officials tend to see more and more of a need to increase spending. Appendix A, item 9, gives the exact wording of the

question and the possible responses. And Table 4-6 shows the officials' rather surprising answers.

TABLE 4-6

OFFICIALS' OPINIONS ON THE LEVEL OF MUNICIPAL SPENDING AND SERVICES, BY LOCAL SALES TAX RATE (in percentages)

Spending and Services Should Be:	Sales Tax Rate			Total
	0% Cities	1% Cities	2% Cities	
Decreased	5.6	18.4	10.6	11.9
Held at present level	18.3	35.6	22.4	25.9
Increased	<u>76.1</u>	<u>46.0</u>	<u>67.1</u>	<u>62.1</u>
Total	100.0	100.0	100.1	99.9
(N)	(71)	(87)	(85)	(243)
$\chi^2 = 16.899, p < .05$			gamma = -0.089	

NOTE: Percentages do not always total 100 because of rounding.

The officials' complacency about the level of taxes does not carry over to their views on spending and services. More than 60 per cent of the entire group favor increased governmental activity. In contrast, only some 43 per cent of municipal officials in Minnesota wanted a similar expansion of the public economy.⁵¹

⁵¹Weidner, Intergovernmental Relations As Seen by Public Officials, p. 27. Percentage computed.

Particularly surprising is that some three-fourths of the supposedly "caretaker government"-oriented 0 per cent officials want to expand governmental activity. The figures for the 1 and the 2 per cent officials seem to be a bit more in keeping with what one might expect. A slight majority of the 1 per cent officials want to hold spending and services at present levels or to retrench on governmental activity. This roughly 50/50 division may well reflect an ambivalence about governmental policy roles which was suggested earlier. Given the background characteristics and economic growth policy orientations of the 2 per cent officials, it comes as no particular surprise that about two-thirds of them feel that current circumstances call for expansions of the public sphere.

The overall results of Tables 4-5 and 4-6 raise some interesting questions about local tax leaders' understanding of the tax-service nexus. Unfortunately, for fear of alienating the respondents, I did not include any questions designed specifically to measure the officials' tax knowledge. However, their views on the citizenry's tax and revenue comprehension--a matter discussed later in this chapter--may provide at least a hint as to the leaders' degree of financial sophistication.

Perceived constituency views

As for the basic research question guiding this study, the tax leaders' views on local tax and spending levels shed little new light on why some cities rely on the municipal sales tax more than others do. The officials' inconsistencies over these aspects of the current situation do suggest, however, that they may be experiencing rather strong cross-pressures from their constituents. If this is the case, one might assume that perceived public opinion on municipal tax and revenue matters plays an important part in accounting for differences in local sales tax policies.

A great many public opinion polls have established the general "popularity" of the sales tax at all levels of government. For example, in a nationwide poll in 1972, 34 per cent of the respondents chose a new value-added tax (a form of national sales tax) as the best way for the federal government to raise taxes. In contrast, only 10 per cent preferred increasing the less regressive income tax. And what is even more remarkable, the value-added tax fell only six percentage points below an option calling for elimination of tax "loop-holes"! This same survey found that almost one-half of the respondents (46 per cent) preferred that their state governments use the sales tax as a means of obtaining additional revenue.

The next most preferred method was the state income tax, which 25 per cent favored.⁵² In Wisconsin, 43 per cent of those polled during a 1963 survey preferred the sales tax over the income tax as a means of raising additional state revenue.⁵³ Earlier surveys in Michigan and Wisconsin showed that 46 and 34 per cent of the respondents favored the sales tax.⁵⁴ The sales tax stands in high esteem at the local level, too. Boskoff and Zeigler found this to be true in a Georgia

⁵²Advisory Commission on Intergovernmental Relations, Public Opinion and Taxes (Washington, D.C.: The Commission, 1972), pp. 17 and 19. A sample of "tax professionals" attending the 1972 conference of the National Tax Association answered the same questions as those which ACIR asked the public. These experts had views fairly similar to those of the general public. For instance, 33 per cent liked the value-added tax and 38 per cent favored the state sales tax. See John O. Behrens, "The Public and the Publicans Talk Taxes," National Tax Journal, XXVI (June 1973), p. 224.

⁵³Leon D. Epstein, Votes and Taxes (Madison: Institute of Governmental Affairs, University Extension Division, The University of Wisconsin, 1964), p. 57.

⁵⁴Elizabeth L. David, "A Comparative Study of Tax Preferences," National Tax Journal, XXI (March 1968), p. 98. The state sales tax is not always popular, however. For instance, in 1969 Oregon citizens voted down a general sales tax proposal by a ratio of almost eight-to-one. See Clara Penniman, "The Politics of Taxation," in Politics in the American States--a Comparative Analysis, ed. by Herbert Jacob and Kenneth N. Vines (2d ed.; Boston: Little, Brown and Company, 1971), p. 548. And in 1965, Oklahoma voters refused to increase the state sales tax rate to 3 per cent. See Oklahoma, State Election Board, Directory and Manual of the State of Oklahoma, 1971 (Oklahoma City: The Board, 1971), p. 286.

locality.⁵⁵ According to Meltsner, 74 per cent of the "citizen-leaders" would choose the sales tax if additional levies were required.⁵⁶ And a recent survey of citizens in ten major cities across the nation reported that the sales tax

stood out in every single city as being the most popular way to raise additional local tax money. In every city, more people selected the sales tax as the first choice than any of the other alternatives. With five alternatives, it is not surprising that there is a lack of a majority for the sales tax as a first choice, but about 40 percent on the average chose the sales tax over the other four alternatives. However, even more impressive is the fact that in every city more than half of the people chose the sales tax as one of the two best ways to raise increased tax revenue.⁵⁷

As a preliminary to looking at perceived public opinion on local tax and spending levels, I wanted to get some idea of how the municipal sales tax stacks up as a revenue-raiser in the minds of Oklahoma citizens. Accordingly, I asked the officials for their perceptions of how their constituents would rank the four revenue sources discussed in connection with Table 4-2. Appendix A, item 3, gives the exact wording of the question and the possible responses. Given the results

⁵⁵Boskoff and Zeigler, Voting Patterns in a Local Election, p. 66.

⁵⁶Meltsner, The Politics of City Revenue, p. 224.

⁵⁷"City Taxes and Services: Citizens Speak Out," An Urban Observatory Report (Washington, D.C.: National League of Cities, 1971), p. 9. This is an expanded reprint of an article by the same title in Nation's Cities, IX, No. 8 (August 1971), pp. 9-24.

of other research and some of the patterns appearing in this study, I expected to find that the citizenry would be seen as generally preferring the sales tax, but that as the local sales tax rate increases, citizens would tend to favor it more. I also assumed that increased utility rates would find little favor anywhere (for Oklahomans, high utility rates have connotations almost as bad as high property taxes), and that low-cost grants-in-aid and user charges would receive high rankings. Table 4-7 shows the responses to this question.

Although officials everywhere tend to view their constituents as favoring the local sales tax, perceived public opinion does, nevertheless, differ among the three groups. Moreover, the differences run in a direction quite the opposite of what was expected. The 0 and the 1 per cent officials see their constituents as highly supportive of the sales tax. But less than a majority of the 2 per cent leaders view the citizenry as ranking the tax first or second. One can probably account for part of these results on the basis of the situation during the data collection phase of this study. But the striking percentage differences--particularly between the 0 and the 2 per cent groups--suggest that the tax lacks the almost limitless popularity sometimes attributed to it. As an official from a 2 per cent city puts it:

TABLE 4-7

PERCEIVED CITIZENS' RANK-ORDER PREFERENCES FOR RAISING ADDITIONAL REVENUE, BY LOCAL SALES TAX RATE (in percentages)

		Sales Tax Rate			
Revenue-Raising Preference and Rank-Order Are:	0% Cities	1% Cities	2% Cities	Total	
City Sales Tax					
First	56.3	35.9	28.8	39.2	
Second	26.6	23.1	20.0	23.0	
Third	12.5	29.5	33.8	26.1	
Fourth	<u>4.7</u>	<u>11.5</u>	<u>17.5</u>	<u>11.7</u>	
Total	100.1	100.0	100.1	100.0	
(N)	(64)	(78)	(80)	(222)	
$\chi^2 = 19.513, p < .05$				gamma = 0.346	
Utilities					
First	4.7	5.1	3.8	4.5	
Second	23.4	15.4	15.0	17.6	
Third	20.3	25.6	32.5	26.6	
Fourth	<u>51.6</u>	<u>53.8</u>	<u>48.8</u>	<u>51.4</u>	
Total	100.0	99.9	100.1	100.1	
(N)	(64)	(78)	(80)	(222)	
$\chi^2 = 4.168, \text{ not significant at } .05 \text{ level}$				gamma = 0.017	
Grants-in-aid					
First	37.5	56.4	63.8	53.6	
Second	18.8	23.1	16.3	19.4	
Third	23.4	9.0	12.5	14.4	
Fourth	<u>20.3</u>	<u>11.5</u>	<u>7.5</u>	<u>12.6</u>	
Total	100.0	100.0	100.1	100.0	
(N)	(64)	(78)	(80)	(222)	
$\chi^2 = 15.873, p < .05$				gamma = -0.300	
Permits & licenses					
First	1.6	2.6	3.8	2.7	
Second	31.3	38.5	48.8	40.1	
Third	43.8	35.9	21.3	32.9	
Fourth	<u>23.4</u>	<u>23.1</u>	<u>26.3</u>	<u>24.3</u>	
Total	100.1	100.1	100.2	100.0	
(N)	(64)	(78)	(80)	(222)	
$\chi^2 = 9.433, \text{ not significant at } .05 \text{ level}$				gamma = -0.133	

NOTE: Percentages do not always total 100 because of rounding.

Our sales tax was voted to 4% from 3% [state and local combined]. There is nothing--no matter how drastic the situation--that would encourage the citizens to vote further taxation. (Official 013)

As expected, grants-in-aid are popular--but noticeably less so in the 0 per cent cities. This is, of course, in keeping with the self-reliance values brought out earlier in this chapter. And looking at the figures for both the sales tax and grants-in-aid, one sees that in comparison with 0 per cent citizens, people in the sales tax cities are perceived to be significantly more concerned about increasing taxes than about possible encroachments on local autonomy.

The ratings for public enterprises and "indirect revenue" sources, though not statistically significant, are nonetheless interesting. As noted earlier, citizens tend to be quite concerned about high utility rates. Accordingly, the figures for utilities indicate that municipal officials can and probably do use threatened increases in utility rates as a highly effective tool for generating public support for the local sales tax. It is also interesting that only the 2 per cent officials see a majority of the citizenry as ranking permits and licenses as the first or second choice. And if one looks at the number one rankings for grants-in-aid and the first and second ratings for permits and licenses, he sees that perceived public desires for an "easy way out" tend to accompany a rising sales tax rate.

One can compare the overall figures with some of Meltsner's findings by assuming that combined first and second ratings represent "positive" responses. Meltsner asked the Oakland "citizen-leaders" whether they would either increase or rely on a number of specific revenue sources--some of which correspond to the four sources covered by this study. In reply, 74 per cent of the Oakland leaders responded positively to the sales tax; 71 per cent, to user charges (similar to the "sales and services" category); 72 per cent, to federal or state assistance; and 31 per cent, to business licenses.⁵⁸ In comparison, then, Oklahoma citizens are perceived to be much more opposed to utilities, somewhat less favorable toward the sales tax, about equally positive toward outside assistance, and appreciably more enthusiastic about "indirect" sources.

In general, Table 4-7 provides no direct information as to why some cities rely on the sales tax more than others do. But it does suggest that local leaders tend to perceive increasing opposition and psychological barriers to additional levies as the sales tax rate increases. If this is the case, then one might speculate that at least one reason for variations in reliance on the local sales tax is that until recently, citizens in the sales tax cities have been less

⁵⁸Meltsner, The Politics of City Revenue, p. 247.

inclined than have citizens in the 0 per cent cities to consider the overall local tax level as being too high. If this line of thought is valid, then one should find some relative tendency at present for citizen concern about high taxes to increase as the sales tax rate rises. If this expectation is borne out, it would help to explain some of the present and past differences in reliance on the sales tax.

To explore this matter, I asked the tax leaders how the average citizen feels about the local tax situation. Appendix A, item 8, gives the exact wording of the question and the possible responses. Table 4-8 shows the answers provided.

TABLE 4-8

PERCEIVED CITIZENS' OPINIONS ON LOCAL TAX LEVEL, BY LOCAL
SALES TAX RATE (in percentages)

Local Tax Level Is:	Sales Tax Rate			Total
	0% Cities	1% Cities	2% Cities	
High	52.1	55.8	60.0	56.2
About right	40.8	41.9	38.8	40.5
Low	<u>7.0</u>	<u>2.3</u>	<u>1.2</u>	<u>3.3</u>
Total	99.9	100.0	100.0	100.0
(N)	(71)	(86)	(85)	(242)
$\chi^2 = 4.946$, not significant at .05 level				gamma = -0.128

NOTE: Percentages do not always total 100 because of rounding.

Although not statistically significant, the results of Table 4-8 do reveal a slight tendency for perceived public concern over high local taxes to rise as the sales tax rate increases. All three groups of officials tend to believe that a majority of their constituents consider their local taxes to be too high. But among 0 per cent officials, this particular psychological barrier to tax increases seems to be somewhat lower than it is for tax leaders in the 1 and the 2 per cent cities.

The overall figures afford some interesting comparisons with the results of various public opinion polls on tax burdens. For instance, according to a Gallup Poll survey taken in late February 1973, 65 per cent of the respondents said that their federal income taxes were too high. This figure represented the third highest majority recorded in 14 surveys since 1949.⁵⁹ And in Wisconsin, 61 per cent of the citizens polled believed that the state should get along with the amount of money which it had at the time.⁶⁰ Hence, perceived public opinion about local tax levels in Oklahoma appears to approach this high degree of dissatisfaction with federal and state taxes.

⁵⁹Gallup Opinion Index, Report No. 93 (March 1973), pp. 5 and 7.

⁶⁰Epstein, Votes and Taxes, p. 54.

Other surveys dealing with local tax levels suggest, however, that public opposition may not be as great as that which the Oklahoma tax leaders perceive. For example, in nearly all of 12 Iowa communities surveyed, respondents generally clustered in the moderate category with respect to their satisfaction with local tax burdens.⁶¹ A recent survey in ten major cities across the country produced somewhat similar results.⁶² And Morgan found that about two-thirds of the respondents in his survey of Oklahoma City area suburbanites considered their local taxes to be about right.⁶³

Previous research thus indicates that the general public is not going to be knocking on the doors of city halls and demanding local tax increases. But at the same time, the average citizen appears not to be as adamantly opposed to more local taxes as he is oftentimes perceived to be. Transferring this conclusion to the municipal scene in Oklahoma, one might speculate that perceived community tax climate (e.g., perceptions of the degree of community progressiveness, civic responsibility, supportiveness) would serve tax leaders as a

⁶¹Citizens and Local Governments in Iowa, pp. 35 and 37.

⁶²"City Taxes and Services: Citizens Speak Out," p. 5.

⁶³Morgan, "Suburban Differentiation and Metropolitan Political Integration," p. 245.

better guide to the probable success of tax-increase proposals than would perceptions of "immediate" public opinion on local tax levels. If this is the case, one might think that differences in tax leaders' willingness to test the climate--which was found to be generally favorable in all three groups of cities--may account in part at least for differences in reliance on the municipal sales tax. This matter receives further attention later on in this chapter.

In any case, if Oklahoma citizens presently seem to be opposed to local tax increases, how do they feel about the other side of the financial coin, viz., spending and services? Public opinion polls have produced mixed results on this matter. For example, a recent Gallup Poll shows that a majority (54 per cent) of the respondents favored holding down spending on a variety of social programs.⁶⁴ But other surveys indicate that Americans generally favor more spending and services at both the federal and local levels.⁶⁵ In Oakland, "citizen-leaders" split about half-and-half on the desirability of increasing municipal spending.⁶⁶ As Fisher and Fairbanks note,

⁶⁴Gallup Opinion Index, Report No. 93 (March 1973), p. 5.

⁶⁵Eva Mueller, "Public Attitudes Toward Fiscal Programs," Quarterly Journal of Economics, LXXVII (May 1963), p. 214; "City Taxes and Services: Citizens Speak Out," p. 5.

⁶⁶Meltsner, The Politics of City Revenue, p. 208.

these inconsistencies apparently grow out of widely varying public awareness and evaluation of governmental services. Accordingly, for any given public good or service, one citizen may wish to expand governmental activity; another, to hold it constant; and a third, to reduce it.⁶⁷

To see if perceived public opinion on municipal spending and services seems in any way related to differences in reliance on the local sales tax, I asked the tax leaders whether their constituents wanted expenditures and governmental activity decreased, held at present levels, or increased. Appendix A, item 10, gives the exact wording of the question and the possible responses. In keeping with the economic growth and small government policy orientations discussed earlier, I expected that as the sales tax rate rises, demands for higher spending and more services would increase. Table 4-9 shows a slight--though statistically insignificant--tendency for this pattern to appear.

Officials in all three groups perceive about the same degree of public support for decreased governmental activity. In contrast--and as expected--perceived demand for increased spending and services tends to accompany a rising tax rate.

⁶⁷Glenn W. Fisher and Robert P. Fairbanks, "The Politics of Property Taxation," Administrative Science Quarterly, XII (June 1967), p. 56.

TABLE 4-9

PERCEIVED CITIZENS' OPINIONS ON LOCAL SERVICES AND SPENDING LEVELS, BY LOCAL SALES TAX RATE (in percentages)

Spending and Services Should Be:	Sales Tax Rate			Total
	0% Cities	1% Cities	2% Cities	
Decreased	26.8	26.7	31.8	28.5
Held at present level	50.7	46.5	34.1	43.4
Increased	22.5	26.7	34.1	28.1
Total	100.0	99.9	100.0	100.0
(N)	(71)	(86)	(85)	(242)
$\chi^2 = 5.173$, not significant at .05 level				gamma = 0.047

NOTE: Percentages do not always total 100 because of rounding.

And these demands for more expenditures and expansions of the public sector come at the expense of preferences for "holding the line." Table 4-9, then, may well offer another clue as to why some cities rely on the local sales tax more than others do.

The results of Tables 4-8 and 4-9 point up a frequently noted inconsistency between public attitudes on taxes and those pertaining to services. That is, public support for increased spending and services tends greatly to exceed backing for a correlative tax policy.⁶⁸ Nevertheless, relatively high

⁶⁸See, for example, V. O. Key, Jr., Public Opinion and American Democracy (New York: Alfred A. Knopf, 1961), pp. 165-169; Glenn W. Fisher, Taxes and Politics: A Study of Illinois Public Finance (Urbana: University of Illinois Press, 1969),

proportions of officials from all three groups of cities perceive a "middling" public attitude on both taxes and services.

This latter situation led me to wonder how citizens in the three groups of cities would react if forced to choose between increasing taxes or cutting services. A recent survey of citizens in ten major U.S. cities suggested that most people would prefer to pay higher local taxes than to have fewer public services.⁶⁹ But given the differences in reliance on the local sales tax in Oklahoma, I assumed that one would find more willingness to cut services among citizens from cities with lower sales tax rates. To explore this matter, I asked the public officials to agree or disagree with this statement: "People here would rather cut services than increase taxes." Table 4-10 shows the rather unexpected results.

In keeping with the results of the nationwide survey cited above, tax leaders in all three groups tend to perceive their constituents as preferring to sacrifice money rather than public goods and services. This tends to support the argument advanced earlier that one could perhaps largely discount "immediate" public opinion on local tax levels--at least

p. 182; Mueller, "Public Attitudes Toward Fiscal Programs," pp. 222-224.

⁶⁹"City Taxes and Services: Citizens Speak Out," p. 5.

TABLE 4-10

PERCEIVED PUBLIC PREFERENCES FOR CUTTING SERVICES AS OPPOSED TO
INCREASING TAXES, BY LOCAL SALES TAX RATE (in percentages)

	Sales Tax Rate			
Statement	0% Cities	1% Cities	2% Cities	Total
People here would rather cut services than increase taxes.				
Strongly agree	6.3	13.6	1.2	7.1
Pretty much agree	11.1	16.0	14.8	14.2
Agree a little	<u>15.9</u>	<u>16.0</u>	<u>30.9</u>	<u>21.3</u>
Total agree	33.3	45.6	46.9	42.6
Disagree a little	17.5	23.5	22.2	21.3
Pretty much disagree	22.2	16.0	14.8	17.3
Strongly disagree	<u>27.0</u>	<u>14.8</u>	<u>16.0</u>	<u>18.7</u>
Total disagree	<u>66.7</u>	<u>54.3</u>	<u>53.0</u>	<u>57.3</u>
Total	100.0	99.9	99.9	99.9
(N)	(63)	(81)	(81)	(225)
$x^2 = 19.943, p < .05$			gamma = -0.102	

NOTE: Percentages do not always total 100 because of rounding.

when the "crunch" of hard choices faces the populace. Few urban residents would relish the idea of hauling their own garbage to the city dump, for instance.

The most striking thing about Table 4-10, however, is that it fails to confirm expectations about differences in public preferences. Perceived differences do appear among the three groups of officials. But the pattern of these differences is the opposite of what was expected. About two-thirds of the 0 per cent officials see a public preference for raising taxes, whereas the comparable figure drops to roughly one-half for officials from sales tax cities. Even more impressive is that nearly 50 per cent of the no-tax officials rather much or strongly disagree with the statement. And comparable proportions of the 1 and the 2 per cent officials fall into the "maybe, maybe not" area (i.e., agree or disagree a little).

These results suggest that, as mentioned earlier, local leaders can and probably do use threatened increases in utility rates, coupled with warnings about fewer services, as an effective campaign tactic during sales tax referenda. And with respect to differences in reliance on the sales tax, the figures in Table 4-10 lend some support to speculation that the 0 per cent officials are just now waking up to this possibility, and that officials from sales tax cities are encountering psychological barriers to using the "reduced services/higher utility rates" tactic as a means of raising additional taxes.

Also, 0 per cent officials may perhaps believe that their service levels are at the lowest possible point, and that further cutting would be virtually impossible.

Official-constituent agreement

Thus far, I have not specifically discussed the degree of attitudinal agreement between the tax leaders and their perceptions of the citizenry in their communities. But this would seem to be a critical question in trying to account for differences in local tax and revenue policies. Presumably, if leaders and followers tend to hold similar views on current financial issues, community policies will be likely to reflect this consensus.

Morgan cites several studies to make the point that most earlier research on leader-follower attitudinal similarities and differences focused on national level politics, particularly distinctions between Congressmen and their constituents.⁷⁰ But more recently, scholars have shown a great deal of interest in manifestations of this problem at the local

⁷⁰Morgan, "Suburban Differentiation and Metropolitan Political Integration," p. 254. A more recent work argues for a fairly high degree of attitudinal congruence between U.S. Representatives and their constituents. See Robert S. Erikson and Norman R. Luttbeg, American Public Opinion: Its Origins, Content, and Impact (New York: John Wiley & Sons, Inc., 1973), pp. 253-259.

level. And is often the case in the social sciences, various research efforts have produced mixed results. For example, Morgan says that in the Oklahoma City area, officials and citizens agreed rather closely on three-fourths of 20 possible paired items dealing with municipal policies.⁷¹ In contrast, Luttbeg's comparison of leaders and followers' attitudes in Eugene and Springfield, Oregon, shows that on nine policy issues (18 possibilities total), "all but two differences between leaders and followers are statistically significant"⁷² Interestingly--and perhaps understandably--local tax and revenue matters have proved to be a major area of disagreement in terms of both actual policy preferences and accuracy of leaders' perceptions of followers' preferences.⁷³

⁷¹Morgan, "Political Linkage and Public Policy . . . ," pp. 221-223.

⁷²Luttbeg, "Patterns of Leadership Policy Preference . . . ," p. 359.

⁷³See, for example, Morgan, "Suburban Differentiation and Metropolitan Political Integration," pp. 265-266; Morgan, "Political Linkage and Public Policy . . . ," pp. 217-223; Sigel and Friesema, "Urban Community Leaders' Knowledge of Public Opinion," pp. 881-895; Basil G. Zimmer and Amos Hawley, "Opinions on School District Reorganization in Metropolitan Areas: A Comparative Analysis of the Views of Citizens and Officials in Central City and Suburban Areas," Southwestern Social Science Quarterly, XLVIII (December 1967), pp. 319-320.

To explore this problem from the standpoint of differences in reliance on the local sales tax in Oklahoma, I cross-tabulated leaders and perceived constituents' attitudes on the four methods of raising additional revenue, the local tax level, and the level of spending and services. I then totaled the agreement responses and computed percentages. Thus, for example, I summed the responses where leaders and followers both ranked the sales tax first, second, third, or fourth in order of preference or where the local tax level was considered high, about right, or low. Table 4-11 shows the results of this effort.

In general, officials in all three groups tend to perceive relatively high agreement with the citizenry on matters associated with local taxes and revenues. In one sense, then, the results seem to confirm the notion that local policies--whatever they may be--reflect considerable belief-sharing between leaders and followers. Equally interesting, however, are the variations in degree of agreement. Contrary to what one might expect, the amount of consensus on all of the issues except spending and services tends to decline as the sales tax rate increases. This raises questions, which will be explored later, concerning the nature of the leaders' "political muscle."

TABLE 4-11

OFFICIALS AND PERCEIVED CITIZENS' AGREEMENT ON MUNICIPAL FINANCIAL
ISSUES, BY LOCAL SALES TAX RATE (in percentages)

Issue and Percentage of Agreement:	Sales Tax Rate		
	0% Cities	1% Cities	2% Cities
Sales tax			
First	53.1	34.6	26.3
Second	14.1	9.0	10.0
Third	0.0	10.3	7.5
Fourth	<u>1.6</u>	<u>6.4</u>	<u>7.5</u>
Total	68.8	60.3	51.3
(N)	(64)	(78)	(80)
Utilities			
First	3.1	3.8	1.3
Second	21.9	14.1	10.0
Third	9.4	11.5	15.0
Fourth	<u>18.8</u>	<u>21.8</u>	<u>13.8</u>
Total	53.2	51.2	40.1
(N)	(64)	(78)	(80)
Grant-in-aid			
First	12.5	24.4	22.5
Second	4.7	11.5	5.0
Third	10.9	5.1	8.8
Fourth	<u>20.3</u>	<u>11.5</u>	<u>7.5</u>
Total	48.4	52.5	43.8
(N)	(64)	(78)	(80)
Permits & licenses			
First	0.0	1.3	2.5
Second	12.5	19.2	20.0
Third	20.3	23.1	8.8
Fourth	<u>15.6</u>	<u>16.7</u>	<u>20.0</u>
Total	48.4	60.3	51.3
(N)	(64)	(78)	(80)
Local tax level			
High	8.5	9.3	6.0
About right	29.6	36.0	26.2
Low	<u>5.6</u>	<u>2.3</u>	<u>1.2</u>
Total	43.7	47.6	33.4
(N)	(71)	(86)	(84)
Spending & services			
Decrease	2.8	9.3	6.0
Hold	14.1	19.8	11.9
Increase	<u>22.5</u>	<u>18.6</u>	<u>29.8</u>
Total	39.4	47.7	47.7
(N)	(71)	(86)	(84)

For the sake of simplicity, Table 4-11 does not show the magnitude of leader-follower disagreement. But the direction of agreement on the revenue-raising issues does suggest some useful insights into the way in which the immediate situation bears on variations in reliance on the sales tax and other revenue sources. With respect to raising additional revenue through the sales tax, for instance, the trend of consensus is favorable among all three groups. But this tendency is much more pronounced among the 0 per cent officials than it is among the other two groups. Events during the data collection phase probably account for part of this difference, but the variations are sharp enough to lend further support to the notion that as the sales tax rate increases, the levy does bump into a psychological barrier. Agreement on the undesirability of increasing public enterprise rates and "indirect" charges seems fairly substantial. But with respect to utilities, leaders and followers in the 0 per cent cities seem more inclined than do others to agree that traditional modes of local financing are not to be cast out forthwith. The opposite trends of agreement on grants-in-aid further support this idea.

The pattern differences in the local tax level and the local spending level figures suggest that in comparison with the other two groups, the 1 per cent officials perceive

relatively little pressure to increase either one. This could possibly help to explain why their cities have stayed at the 1 per cent rate. At the same time, there is rising agreement among 0 and 2 per cent officials and citizens on the need to expand governmental activity and expenditures. And whereas the 0 per cent officials perceive a strong consensus on using the sales tax to finance additional spending and services, the 2 per cent leaders and followers seem relatively more inclined to agree on the desirability of outside assistance. This information appears to be consistent with the differences in self-reliance values discussed earlier.

Leaders and Followers' Preferences in Tax-Policy Perspective

To summarize the main thrust of the argument thus far, the local sales tax apparently declines in popularity as the tax rate rises. But even at the 2 per cent rate, both officials and citizens still think highly of the tax--even though it may tend to bump into something of a psychological (as well as a constitutional/legal) barrier as it approaches or reaches the maximum allowable rate. This possibly helps to explain the 1 and 2 per cent officials and citizens' inconsistent attitudes with respect to local tax and spending levels. Moreover, to look at matters from the perspective of officials in

the 0 per cent cities, the sales tax seems to be extremely popular with the citizens and thus offers a politically feasible yet self-reliant means of "holding the line" in an inflationary economy. This line of thinking also helps to account for the 0 per cent officials' unexpectedly strong preferences for the sales tax as a revenue source and for increasing local taxes, spending, and services. It also seems to be in keeping with the 0 per cent citizens' opinions about both taxes and spending.

At the same time, however, the fact remains that some cities have moved to the sales tax sooner than others have. Looking back, one can see that in general, the higher the tax rate, the greater the tendency for cities to have progressive leaders who perceive economic growth policy orientations, favorable tax climates, and rising constituent demands for public goods and services. In addition, the "habituation" idea may be working here. The sales tax has a long tradition at the state level in Oklahoma; many cities adopt it locally and appear to benefit from it; finally the 0 per cent communities come to view it as representing a not-too-sharp break with their "caretaker government" orientations.⁷⁴ With respect to the

⁷⁴This line of thought really amounts to a sort of "diffusion of tax innovation through habituation" argument. Social psychology offers evidence that familiarity developed

desirability of the sales tax as a revenue-raiser, then, these trends help to account for such things as past variations in reliance on the sales tax and the relatively high degree of attitudinal congruence between 0 per cent leaders and followers.

Although these factors, taken together, may well help to explain many of the past and present policy variations with respect to the local sales tax, they still leave unanswered a number of questions concerning differences in leaders' approaches to "selling" the tax to the public. After all, as the sales tax rate rises, perceived leader-follower congruence on tax and revenue matters seems to decline. And this situation leads one naturally to a consideration of problems

through repeated exposures to a strange stimulus (even one which may be disliked at first) tends to result in a more favorable attitude toward or an increased preference for that stimulus. See, for example, A. H. Maslow, "The Influence of Familiarization on Preference," Journal of Experimental Psychology, XXI (August 1937), pp. 162-180; Robert Zajonc, "Brainwash: Familiarity Breeds Comfort," Psychology Today, III, No. 9 (February 1970), pp. 32-35 and 60-62. For theoretical conceptualizations of the way in which such "favorable habituation" might help to diffuse a local political innovation such as the sales tax, see Thomas M. Scott, "The Diffusion of Urban Government Forms as a Case of Social Learning," Journal of Politics, XXX (November 1968), pp. 1091-1108; or, more generally, Everett M. Rogers, with F. Floyd Shoemaker, Communication of Innovations--A Cross-Cultural Approach (2d ed.; New York: The Free Press, 1971), Chapters 3 and 9. In addition, given the long tradition of a state sales tax, the city sales tax is actually a "new" old tax which, as Fisher observes, would seem likely to meet with less public resistance than would an unfamiliar form of tax levy. See Fisher, Taxes and Politics, pp. 183-184.

revolving around the thorny issues of constituency relations and representational responsiveness.

Constituency Relations in the Tax
and Revenue Process

Meltsner wonders whether cities lacking appreciable "political muscle" tend to rely less on direct than on indirect forms of financing. He apparently equates such muscle with a strong mayor governmental structure. But one might as easily associate the "political muscle" idea with the aggressive tax leadership which Meltsner seems to favor. "Aggressive leaders may prefer direct ways of coping with the public, while passive leaders may prefer indirect ways."⁷⁵

In terms of municipal tax and revenue policy-making in Oklahoma, I originally assumed that such aggressive, politically muscular leadership would be most likely to appear among officials in the higher tax rate cities. And I supposed that it would be associated with relatively higher degrees of perceived public support and leader-follower agreement. But the patterns which have appeared in this study fail to bear out this line of thought to any appreciable extent. Instead, as the sales tax rate rises, the officials' preferences for "direct impact taxes" decline. Moreover, officials from the

⁷⁵Meltsner, The Politics of City Revenue, p. 284.

three groups of cities perceive only slight differences in the general support level (the community tax climate), and the 2 per cent officials seem to perceive the least amount of agreement with their constituents.

Despite the various possible explanations for these generally unexpected results, the fact remains that some cities have gone to the sales tax sooner and have relied on it more heavily than other cities have. In terms of tax leadership roles in the policy process, these various patterns--taken together--led me to think that "political muscle" in Oklahoma municipalities may involve less of an aggressiveness than a sort of independence and electoral indifference similar to the "volunteerism" norm of officials in the San Francisco Bay area. If this is the case, then one might reasonably wonder whether or how the three groups of officials differ with respect to constituency relationships. To explore this matter, the discussion now turns to an examination of selected aspects of leader-follower relations within the context of reported policy-making behavior.

Representational Roles

According to Seligman, a central hypothesis found in the literature on leaders is that leadership depends on acceptance by followers. "A leader is not a leader unless he is

accepted by followers; leadership is a representational role."⁷⁶

Thus the role of leaders is a critical element in a long-standing question in political philosophy, viz., the mandate-independence controversy over the nature of political representation. Pitkin concisely summarizes the question:

"Should (must) a representative do what his constituents want, and be bound by mandates or instructions from them; or should (must) he be free to act as seems best to him in pursuit of their welfare?" Accordingly, she continues, one's position on representational role correlates with his broadest conceptions of political life, e.g., the nature of political issues, the relative capacities of the rulers and the ruled, and the nature of society.⁷⁷

A few years ago, scholarly concern over the mandate-independence problem led Wahlke and associates to develop a famous classification scheme which has guided a great deal of subsequent research, especially in the area of state and local politics. More specifically, the authors identified three legislative role orientations with respect to representation

⁷⁶Lester G. Seligman, "The Study of Political Leadership," American Political Science Review, XLIV (December 1950), p. 913.

⁷⁷Hanna Fenichel Pitkin, The Concept of Representation (Berkeley: University of California Press, 1967), pp. 145-146. Quote on p. 145.

of constituents: (1) the trustee, who acts according to his conscience and expertise rather than constituency opinion whenever a conflict arises; (2) the delegate, who perceives his behavior to be bound by constituency opinion; and (3) the politico, who defines his behavior situationally or in terms of a sort of blending or compromising of the two preceding roles.⁷⁸

Some of the literature dealing with local political systems posits a delegate (or delegate-leaning politico) orientation. For example, Wood says that the small town leader can never be above majority opinion, and that his success rests on his sensitivity to follower moods and aspirations.⁷⁹ In New Haven, Connecticut, says Dahl, real or perceived constituency preferences largely determine leaders' decisions on issues such as redevelopment, and deviant leaders run the risk of being smitten down.⁸⁰ And speaking of the San Francisco Bay area, Eyestone finds it particularly interesting "that citizen desires strongly influence council

⁷⁸John C. Wahlke et al., The Legislative System: Explorations in Legislative Behavior (New York: John Wiley and Sons, Inc., 1962), pp. 267-280.

⁷⁹Robert C. Wood, Suburbia: Its People and Their Politics (Boston: Houghton Mifflin Company, 1959), p. 269.

⁸⁰Robert A. Dahl, Who Governs? Democracy and Power in an American City (New Haven, Connecticut: Yale University Press, 1961), pp. 89-90, 138, 225-226.

attitudes and perceptions, because this kind of linkage brings together the councilman-as-leader with the councilman-as-representative."⁸¹

This line of thinking grows out of a sort of admixture of theorizing about political ambitions, electoral accountability, and the so-called "rule of anticipated reactions."⁸² And, given the sensitivity of pocketbook issues, it has understandably created a picture of state and local politicians fearful of supporting tax increases. Fisher, for example, finds it a most useful technique in analyzing tax politics to assume that most politicians act according to perceived self-interest, that they wish to win elections, and that they win elections by responding to immediate political forces instead of acting pursuant to the ultimate effects of their policy decisions.⁸³ Pomper contends that if a governor fears electoral punishment as a result of increasing taxes, he will not

⁸¹Eyestone, The Threads of Public Policy, p. 159.

⁸²See, for instance, Joseph A. Schlesinger, Ambition and Politics: Political Careers in the United States (Chicago: Rand McNally & Company, 1966), pp. 1-2; John W. Kingdon, "Politicians' Beliefs About Voters," American Political Science Review, LXI (March 1967), pp. 137-145; Carl J. Friedrich, Constitutional Government and Democracy (Boston: Ginn and Co., 1950), p. 49.

⁸³Fisher, Taxes and Politics, p. 242.

try to raise levies.⁸⁴ And Ecker-Racz ominously warns that "political graveyards are filled with one-time state and local leaders whose promising careers abruptly ended because they did not or could not avoid association with tax increases."⁸⁵

One can readily see that much of this delegate/politico-oriented analysis is closely related to individual self-interest assumptions found in abstract economic theory. Empirical political research has, however, tended to contradict such assumptions. For instance, Wahlke and associates found that the proportions of trustees among California, Ohio, New Jersey, and Tennessee state legislators were 55, 56, 61, and 81 per cent respectively.⁸⁶ After a 1962 survey of constitutional convention delegates and state legislators in Michigan, Friedman and Stokes reported that 72 per cent of the convention delegates and 66 per cent of the legislators had trustee orientations.⁸⁷ In the St. Louis area, 73 per

⁸⁴Gerald M. Pomper, Elections in America: Control and Influence in Democratic Politics (New York: Dodd, Mead & Company, 1968), p. 147.

⁸⁵Ecker-Racz, The Politics and Economics of State-Local Finance, p. 26.

⁸⁶Wahlke et al., The Legislative System, p. 281.

⁸⁷Robert S. Friedman and Sybil L. Stokes, "The Role of Constitution-Maker as Representative," Midwest Journal of Political Science, IX (May 1965), p. 160.

cent of the councilmen indicated that they decided things in accordance with their own conscience, principles, or judgment.⁸⁸ According to Zisk, 60 per cent of the San Francisco Bay area councilmen chose the trustee orientation.⁸⁹ And Prewitt and Eulau noted that 44 per cent of the 82 city councils in the San Francisco Bay area had a representational response style based on a self-defined image of community needs (as opposed to 24 per cent and 32 per cent being responsive to attentive publics and to ad hoc interest groups respectively).⁹⁰

Out of this and other research has come Prewitt's conception of a trustee-like local representational role based on the ethic of "volunteerism." The councilman, says Prewitt, has little electoral competition, is largely unambitious and indifferent about reelection, and--most important--tends to treat his public service as something of a citizen duty similar to that associated with service in community organizations such as the chamber of commerce, the PTA, or the library board. Accordingly, Prewitt concludes, the volunteer

⁸⁸Downes, "Municipal Social Rank . . . ," p. 528.

⁸⁹Zisk, Local Interest Politics, p. 100.

⁹⁰Kenneth Prewitt and Heinz Eulau, "Political Matrix and Political Representation: Prolegomenon to a New Departure from an Old Problem," American Political Science Review, LXIII (June 1969), p. 430.

may serve the community devotedly pursuant to the way in which he perceives the public interest, but he probably minimizes the importance of and remains insensitive to voter preferences and public opinion.⁹¹

Other research efforts lend support to Prewitt's argument. For example, a 1962 survey of 165 Canadian MPs shows that of legislators from districts perceived to be highly competitive, 53 per cent considered themselves to be delegates; 36 per cent, politicians; and 11 per cent, trustees. In contrast, for districts perceived as non-competitive, the proportions were 27 per cent delegates, 32 per cent politicians, and 41 per cent trustees.⁹² This seems to be in keeping with Prewitt's contention that public officials neither perceive nor worry about competitive and reelection pressures. And Westby notes a dichotomy between the political and civic spheres in American communities which induces local politicians to "dissociate themselves from politics" and to "go political as civic men," thus placing themselves above base

⁹¹Prewitt, The Recruitment of Political Leaders, pp. 210-212; Prewitt, "Political Ambitions, Volunteerism, and Electoral Accountability," p. 10.

⁹²Allen Kornberg, "Perception and Constituency Influence on Legislative Behavior," Western Political Quarterly, XIX (June 1966), p. 290.

motives and conveying the idea of public honor and trust.⁹³ Prewitt would probably argue with the idea of a dichotomy between the political and civic spheres, but doubtless would find little fault with Westby's conclusions.

Against this background of research on representational roles, I found the following statement by Ecker-Racz particularly intriguing:

Democracies and sound tax policies make uncomfortable bedfellows. The public's aversion to paying taxes obliges legislators and others in leadership positions dependent on elector approval to avoid overt association with tax increases even at the cost of imprudent fiscal policies.⁹⁴

Accordingly, I decided to pose a role orientation problem for the Oklahoma municipal officials. More specifically, I set up a hypothetical conflict situation which basically involved publicly supporting or publicly disavowing an unpopular tax-increase proposal. Appendix A, item 6, gives the exact wording of the question and the possible responses. The first two answers correspond to the trustee and delegate roles. Anyone choosing the "other" alternative was arbitrarily coded as a politico, regardless of the written answer which he supplied.

⁹³David L. Westby, "The Civic Sphere in the American City," Social Forces, XLV (December 1966), pp. 162-164. Quotes on p. 164.

⁹⁴Ecker-Racz, The Politics and Economics of State-Local Finance, p. 22.

I did this because I assumed that anyone making this choice would be at least subconsciously feeling the need for compromise inherent in the politico position. In keeping with the preceding discussion, I was unsure about the results which might appear. Most earlier research indicated that trustee orientations would predominate. But my speculations about the nature of "political muscle" suggested that as the sales tax rate rises, the proportions of trustees would increase. Table 4-12 shows the officials' responses.

TABLE 4-12

OFFICIALS' REPRESENTATIONAL ROLE ORIENTATIONS,
BY LOCAL SALES TAX RATE (in percentages)

Representational Role of Officials	Sales Tax Rate			Total
	0% Cities	1% Cities	2% Cities	
Trustee	87.3	85.5	81.2	84.5
Delegate	4.2	8.4	5.9	6.3
Politico	<u>8.5</u>	<u>6.0</u>	<u>12.9</u>	<u>9.2</u>
Total	100.0	99.9	100.0	100.0
(N)	(71)	(83)	(85)	(239)
$\chi^2 = 3.546$, not significant at .05 level				

NOTE: Percentages do not always total 100 because of rounding.

The sales tax rate seems to make little difference with respect to the officials' perceptions of their representational role in a policy process situation. In tax and revenue matters, at least, an overwhelming majority of the officials consider it important to follow one's own judgment and convictions about the best interests of the community. And contrary to earlier speculation, as the sales tax rate rises, the proportions of trustees decrease slightly. In short, all three groups of Oklahoma municipal officials apparently feel politically potent enough to see little need to take a delegate or politico stance on a local tax issue or to avoid overt association with a tax-increase proposal.

These results are in keeping with most research findings about general representational role orientations. They also tend to support other research efforts suggesting that conflict situations intensify trustee orientations. For example, Buechner shows that Colorado councilmen considered it quite important to support municipal improvements despite community opposition. And he indicates that Colorado city managers and councilmen substantially agreed on the necessity of taking open, other-than-neutral policy stands on community-

wide issues such as sales tax proposals.⁹⁵ Prewitt and Eulau report a strong correlation between a high trusteeship orientation and a tendency for San Francisco Bay area councils to take policy stands running counter to majority preferences.⁹⁶ Sigel and Pindur's study of urban legislators in six communities in the Detroit area reveals that perceived conflict situations dramatically increased trustee orientations, and that such orientations remained high even in the face of clearcut instructions received through a public opinion poll.⁹⁷

⁹⁵John C. Buechner, Differences in Role Perceptions in Colorado Council-Manager Cities (Boulder: Bureau of Governmental Research and Service, University of Colorado, 1965), pp. 37 and 41-62.

⁹⁶Heinz Eulau and Kenneth Prewitt, Labyrinths of Democracy: Adaptations, Linkages, Representation, and Policies in Urban Politics (Indianapolis: The Bobbs-Merrill Company, Inc., 1973), p. 414.

⁹⁷Roberta S. Sigel and Wolfgang Pindur, "Role Congruence and Role Strain among Urban Legislators," Social Science Quarterly, LIV (June 1973), pp. 56-61. These findings are particularly interesting in light of a public opinion survey in Florida which revealed that more than three-fourths of the respondents favored a delegate role for city councilmen. See McMurray and Parsons, "Public Attitudes . . . ," p. 169. Nevertheless, the high proportions of trustees in all three groups may actually indicate less conflict with constituents than one might suppose. This would be in keeping with some of the results of the 1967 Iowa Legislative Project which show that trustees were much more accurate in predicting constituency opinion than were delegates, especially in perceived conflict situations. See Ronald D. Hedlund and H. Paul Friesema, "Representatives' Perceptions of Constituency Opinion," Journal of Politics, XXXIV (August 1972), pp. 738-743.

Constituency Information Levels

A generally low level of citizen knowledge about tax and revenue matters may partly account for the high proportions of trustees among Oklahoma municipal officials. As Wahlke and associates point out, modern government at all levels is exceedingly complex, and its many and interrelated areas of concern, including taxation and finance, tend to lie beyond the comprehension of the average citizen. This being the case, the trustee reasons that the people cannot or will not adequately instruct their representatives. And his role orientation thus increasingly becomes a "functional necessity" as governmental business takes on a more and more intricate and technical character.⁹⁸ Moreover, as Sigel and Pindur suggest, although trustees, delegates, and politicians have different philosophical outlooks, their pragmatic experiences show them a public which fails to "cooperate" by being interested, informed, and communicative. Hence, all three groups tend to hold similar or perhaps identical images of the public. Given this unity of views, it is little wonder that they all eventually tend to arrive at a trustee-like approach to policy-making.⁹⁹

⁹⁸Wahlke et al., The Legislative System, p. 281.

⁹⁹Sigel and Pindur, "Role Congruence and Role Strain . . . ," pp. 64-65.

Some public opinion polls show that the citizenry claims to have a high interest in and understanding of local issues and affairs. For instance, Dahl--drawing on unpublished data gathered by Almond and Verba in the 1950s--reports that 65 per cent of the respondents indicated that they understood local issues very well or moderately well. In contrast, only 45 per cent said that they were equally well-informed on national and international issues.¹⁰⁰ Using 1966 Survey Research Center data, Jennings and Zeigler indicate that 30 per cent of the respondents ranked local affairs number one in order of salience--a proportion only two percentage points below national affairs and ten or more percentage points above international and state affairs.¹⁰¹

Other surveys, however, raise serious questions about these sanguine findings. Almond and Verba, for example, report that only 21 per cent of their U.S. sample indicated a sense of duty to try to participate in or to understand and keep informed about local government activities; a mere 3 per

¹⁰⁰Robert A. Dahl, Democracy in the United States: Promise and Performance (2d ed.; Chicago: Rand McNally & Company, 1972), p. 237.

¹⁰¹M. Kent Jennings and Harmon Zeigler, "The Salience of American State Politics," American Political Science Review, LXIV (June 1970), p. 525.

cent mentioned taking an interest in what is going on.¹⁰² And in "Mayburg," Iowa, Smith says, just a week before a municipal election, a survey of adult citizens revealed that 72 per cent of the respondents ranked relatively low on identification of local political leaders; only 8 per cent exhibited any meaningful knowledge of specific election issues; and 48 per cent were either ignorant of or vague about community problems.¹⁰³ Hence, it is not too surprising to find that politicians tend to discount claims about high levels of voter interest and information.¹⁰⁴

This situation seems to be particularly true with respect to local tax and revenue matters. Commenting on the results of a public opinion survey taken in four suburban school districts in upstate New York, Burkhead observes that only hard-core tax-"aginnners" appear able to agree on a priority of public needs. "For the remainder of the population, the structure of values seems to lack coherency and articulation."¹⁰⁵ Buchanan devotes a chapter to summarizing a number

¹⁰²Almond and Verba, The Civic Culture, p. 129.

¹⁰³Smith, "The Games of Community Politics," p. 47.

¹⁰⁴See, for example, Kingdon, "Politicians' Beliefs About Voters," pp. 138-141; Zisk, Local Interest Politics, p. 102.

¹⁰⁵Jesse Burkhead, Public School Finance; Economics and Politics (Syracuse, New York: Syracuse University Press, 1964), p. 168.

of empirical studies on the average individual's degree of information on various fiscal institutions, especially taxation. Taken together, the studies amply demonstrate a high level of public ignorance about tax and revenue matters.¹⁰⁶ Pomper argues that the electorate neither can nor does separate the varying impacts of national, state, and local finances.¹⁰⁷ And even among Oakland's "citizen-leaders," only about one-half had any inkling of the financial problems of the city.¹⁰⁸

To explore this matter within the context of Oklahoma municipal tax politics, I gave the tax leaders a couple of six-point agree-disagree" statements concerning some of their perceptions of the citizenry's information level. I thought that such data might provide insights into whether trustee-oriented leadership differs among the three groups of officials. For example, I speculated that the 0 per cent officials would tend to perceive a more knowledgeable public and less difference in their own information level relative to

¹⁰⁶James M. Buchanan, Public Finance in Democratic Process: Fiscal Institutions and Individual Choice (Chapel Hill: The University of North Carolina Press, 1967), Chapter 13.

¹⁰⁷Pomper, Elections in America, p. 144.

¹⁰⁸Meltsner, The Politics of City Revenue, p. 220.

constituents than would be the case with officials in the other two groups. In other words, using a "knowledge is power" argument, one might suppose that relatively lower information levels permit trustees to flex their political muscles more freely. And such a finding would add yet another clue as to reasons for differences in reliance on the local sales tax. Table 4-13 shows the mean scores for each group of officials. The higher the score, the greater the degree of disagreement with the statement.

TABLE 4-13
OFFICIALS' MEAN RESPONSES TO STATEMENTS ABOUT PUBLIC INFORMATION
ON MUNICIPAL FINANCIAL MATTERS, BY LOCAL SALES TAX RATE

Statement	Sales Tax Rate		
	0% Cities	1% Cities	2% Cities
1. People here understand that the taxes and charges they pay are related to the city services they receive.	2.63	2.39	2.79
2. The average citizen in your city is as well informed on local government tax and revenue matters as you are.	3.97	4.04	4.30
(N)	(63)	(80)	(81)

In general, Oklahoma municipal tax leaders seem to hold slightly more favorable views about constituency information levels than most empirical research would bear out. All three

groups of officials tend to agree mildly that the public at least understands the tax-service nexus. And they all appear to believe themselves better informed than the citizenry, although the relative weakness of this belief comes as something of a surprise.

Statement 1 does not confirm the expected differences in perceptions of citizen knowledge. But the second statement does lend at least some support to the notion that politically muscular knowledge levels tend to increase as the sales tax rate rises.

Some of the proportions along the agree-disagree continuum are even more interesting than the mean scores. For example, the proportions of those strongly agreeing that the people understand the tax-service nexus drop from about 30 per cent for the 0 per cent officials to 20 and 16 per cent for the 1 and the 2 per cent officials respectively. A similar trend appears for those agreeing that the citizenry is as well-informed as the officials are: 0 per cent officials--41.2 per cent; 1 per cent officials--34.9 per cent; 2 per cent officials--29.6 per cent. These figures at least hint at the possibility that tax leaders' fiscal sophistication tends to increase as the sales tax rate rises. This would be in keeping with the finding in Chapter III that as the sales tax rate

rises, the proportion of leaders in high SES occupational categories, particularly businessmen, tends to increase. Meltsner also supports this line of thought with his finding that businessmen have greater tax comprehension than other categories of leaders have.¹⁰⁹

Communication with Constituents

Closely related to the problems of representational responsiveness and citizen ignorance is the matter of poor communication between public officials and constituents. When public opinion inputs are vague or conflicting, local leaders may find it much simpler and easier to follow their own judgment as a guide in the policy-making process.¹¹⁰

In his case study of "Easttown," Scism suggests that general public opinion probably outweighs other variables such as expert opinion with respect to local decisions on highly salient issues.¹¹¹ Accordingly, with respect to financial matters, Mueller urges political leaders to obtain "a clear picture of prevailing opinions" through "an active two-way

¹⁰⁹Ibid., p. 192.

¹¹⁰Robert L. Lineberry and Ira Sharkansky, Urban Politics and Public Policy (New York: Harper & Row, Publishers, 1971), p. 166.

¹¹¹Thomas E. Scism, "Public Opinion and Public Policy Decisions in Small Cities: A Case Study," Social Science Quarterly, LII (June 1971), pp. 209-210.

flow of information" which would presumably "stimulate discussion of the underlying issues and could reduce any large gaps between the views of the citizenry and the views of their elected representatives."¹¹² Meltsner and Claunch offer similar advice to local tax-proposing leaders.¹¹³

In contrast to such findings and advice, Prewitt and Eulau say that local public officials rely on their own judgment precisely because they do not hear from the public.¹¹⁴ Public opinion surveys tend to confirm this low level of communication with local leaders. For instance, in answer to a question about individual measures to influence local government, only 20 per cent of Almond and Verba's U.S. respondents indicated that they would directly contact elected political leaders or the press, and just 1 per cent mentioned direct contact with non-elected administrative officials. Moreover, a mere 14 per cent would vote against "offending" officials at the next election.¹¹⁵ In New Haven, Dahl's

¹¹²Mueller, "Public Attitudes Toward Fiscal Programs," p. 235.

¹¹³Meltsner, The Politics of City Revenue, pp. 254-260; Ronald Claunch, "How Voters Decide in a Sales Tax Election," Missouri Municipal Review, XXXVI, No. 7 (July 1971), p. 7. (In the article, Dr. Claunch's name was spelled "Glauch.")

¹¹⁴Prewitt and Eulau, "Political Matrix and Political Representation . . . ," p. 434.

¹¹⁵Almond and Verba, The Civic Culture, p. 148.

public opinion poll revealed that only 27 per cent of the citizenry had ever contacted local public officials or politicians concerning an issue of interest. And the proportion dropped to 16 per cent with respect to contact during the past year or so.¹¹⁶ One can find comparable evidence of low-level citizen communication, involvement, and participation in studies by Gans, Presthus, Wildavsky, and Alford.¹¹⁷

Given this lack of communication, I was hardly surprised to find Meltsner arguing that with respect to municipal taxation, "local officials generally talk to one another," not to the citizens who provide political support for tax increases.¹¹⁸ In light of such things as the Oklahoma officials' trustee orientations and the differences among the three groups on perceived degree of agreement with constituents, Meltsner's argument suggested to me that I might profitably

¹¹⁶Dahl, Who Governs?, p. 279.

¹¹⁷Herbert J. Gans, The Levittowners: Ways of Life and Politics in a New Suburban Community (New York: Pantheon Books, 1967), pp. 305-311; Robert Presthus, with a chapter by L. Vaughn Blankenship, Men at the Top: A Study in Community Power (New York: Oxford University Press, 1964), pp. 258-264; Aaron Wildavsky, Leadership in a Small Town (Totowa, New Jersey: The Bedminster Press, 1964), p. 16; Alford, Bureaucracy and Participation, p. 232.

¹¹⁸Meltsner, The Politics of City Revenue, pp. 255-256. Quote on p. 256.

look at the officials' preferred information source in a situation requiring that a large amount of additional revenue be raised. In general, I expected to find that the officials "turned inward" in their quest for information. In addition, I speculated, one might discover some slight tendency for consultation with the public to decrease as the sales tax rate rises. Appendix A, item 5, shows the exact wording of the question and the possible responses. Table 4-14 gives the results of this query.

Table 4-14 confirms the expected relationships. Local tax leaders do indeed tend to rely mainly on one another for essential information related to municipal financing. Overall, the ratio of governmental to public sources is about two-to-one, with well over one-half of the officials preferring to consult with other officials in their immediate governmental circle. Only among 0 per cent officials does the proportion favoring governmental sources drop below 50 per cent. The combined figures for governmental and personal sources simply underscore the officials' "inward-looking" tendencies. Reading horizontally, one sees that as the sales tax rate increases, consultation with the public does tend to decline slightly. This seems to be in keeping with the trends discerned with

TABLE 4-14

OFFICIALS' PREFERRED REVENUE INFORMATION SOURCE, BY LOCAL
SALES TAX RATE (in percentages)

Preferred Source Is:	Sales Tax Rate			Total
	0% Cities	1% Cities	2% Cities	
Municipal govt.:				
Council (board) members	29.0	38.3	35.7	34.6
City mgr. or other adminis- trators	<u>17.4</u>	<u>22.2</u>	<u>20.2</u>	<u>20.1</u>
Total	46.4	60.5	55.9	54.7
Personal:				
Personal know- ledge	15.9	11.1	19.0	15.4
Other personal sources	<u>5.8</u>	<u>1.2</u>	<u>1.2</u>	<u>2.6</u>
Total	21.7	12.3	20.2	18.0
Public:				
Citizens-at- large	10.0	16.0	8.3	11.5
Community interest groups	<u>21.7</u>	<u>11.1</u>	<u>15.5</u>	<u>15.8</u>
Total	<u>31.7</u>	<u>27.1</u>	<u>23.8</u>	<u>27.3</u>
TOTAL	99.8	99.9	99.9	100.0
(N)	(69)	(81)	(84)	(234)

NOTE: Percentages do not always total 100 because of rounding.

respect to perceived differences in the officials' tax know-
ledge relative to the citizenry.

These results are similar to those of certain other research efforts. Buechner, for instance, reports that Colorado councilmen considered it rather important to clear with other leaders before they agreed to start projects which called for fund-raising.¹¹⁹ According to Zisk, about 80 per cent of the San Francisco Bay area councilmen ranked the city manager or other city officials as their first or second choice as a source of advice about council issues. About 60 per cent gave other councilmen similar ratings as a source of consultation. In addition, about two-thirds indicated that they did not actively seek the support or advice of community interest groups before a council decision was made.¹²⁰ In Oakland, the city manager is the "fiscal conscience of the council," which reflects many of his beliefs in tax and revenue matters.¹²¹

Constituency Relations in Tax Policy Perspective

Differences in reliance on the local sales tax seem unrelated to variations in Oklahoma municipal tax leaders' perceptions of their representational role. In all three groups

¹¹⁹Buechner, Differences in Role Perceptions . . ., p. 36.

¹²⁰Zisk, Local Interest Politics, pp. 32-34 and 57. Percentages computed.

¹²¹Meltsner, The Politics of City Revenue, p. 7.

of officials, the trustee role predominates overwhelmingly; officials everywhere tend to be quite willing to associate themselves openly with an unpopular tax-increase proposal which they deem to be in the best interests of the community. This suggests that all three groups tend to feel politically muscular in the sense of being relatively unconcerned about the consequences of going against popular opinion.

At the same time, however, an examination of tax knowledge levels and preferred information sources indicates that such trusteeship or volunteerism similarities do not lead to comparable likenesses in certain key aspects of the tax and revenue policy process. For example, relative to the citizenry, 0 per cent officials seem to consider themselves somewhat less knowledgeable than do their counterparts in the sales tax cities. Since the 0 per cent officials' cities have lagged in going to the sales tax, one might speculate that in local tax and revenue matters, political prowess is positively associated with relatively high knowledge and information levels. And as the sales tax rate rises, such knowledge seems to increase. Moreover, in keeping with this "knowledge is power" hypothesis, as the tax rate increases, consultation with the public tends to decrease. As the sales tax rate goes

up, "inward-looking" expertise, not public opinion, tends to become an increasingly important power base.

Overall, then, the general thrust of this section is that differences in knowledge levels and patterns of information flow may be important factors in accounting for variations in reliance on the local sales tax. This immediately raises questions about how such information is acquired and transmitted within the context of the tax and revenue policy process.

Table 4-14 suggests that city managers may play a critical part here. Since only about one-half of the cities in the sample have a city manager form of government, it seems highly significant that some 20 per cent of the officials would turn to the city manager as a prime source of information. Loveridge, Meltsner, and Zisk--among others--point up the importance of city managers as information sources.¹²² This would be in keeping with Wright's argument that the city manager actively initiates politically relevant communications to the community and seems to perform an outwardly oriented "linking pin" role between the city and its larger

¹²²Loveridge, City Managers in Legislative Politics, p. 85; Meltsner, The Politics of City Revenue, pp. 51-60; Zisk, Local Interest Politics, p. 57.

environment.¹²³ In other words, the presence or absence of a city manager may be a key factor in accounting for differences in local sales tax policies. The next chapter explores certain aspects of this problem in some depth.

Summary

The attitudes and beliefs of political leaders are crucial factors in the municipal policy process. This suggests that differences in the psychological orientations of formal tax leaders may provide valuable insights into why some Oklahoma cities rely on the local sales tax more than others do.

To pursue this line of thought, the chapter opens with an exploration of the perceived tax policy environment. In general, as the local sales tax rate rises, officials become increasingly more likely to perceive economic growth policy roles for their cities. With respect to the small government role, a reverse sort of relationship appears. These results are in keeping with previous expectations. However, attempts to relate officials' role orientations to their revenue-raising preferences produce unexpected results. For example,

¹²³Deil S. Wright, "The City Manager as a Development Administrator," in Comparative Urban Research: The Administration and Politics of Cities, ed. by Robert T. Daland (Beverly Hills, California: Sage Publications, 1969), p. 230.

officials from cities with no local sales tax tend to be much more favorable toward the levy as a revenue-raiser than are their counterparts in cities with a municipal sales tax. Nevertheless, one finds a slight positive association between increasing sales tax rates and perceptions of a favorable community tax climate. And at the same time, as the sales tax rate decreases, officials seem to become more inclined to place a high value on local self-reliance. These latter two relationships appear to be consistent with the findings concerning municipal policy roles.

Turning to more immediate concerns in the tax policy process, one finds that surprisingly high proportions of officials in all three groups think that local taxes are adequate to meet current community needs. Interestingly, however, tax leaders from the 0 per cent cities seem slightly less inclined toward a status-quo mentality on local taxes than do their counterparts in the sales tax cities. At the same time, all three groups of officials tend to favor increases in municipal spending and services. Surprisingly, however, the proportion of 0 per cent officials taking this position is noticeably greater than is the case with officials from the other two groups of cities.

With respect to perceived constituency attitudes toward local tax and revenue matters, all three groups of officials see the citizenry as favorable toward the city sales tax as a revenue-raising source. However, the 2 per cent officials tend to view their constituents as less supportive of this source than the 0 and the 1 per cent officials do. As expected, public concern over high local tax levels tends to accompany rising local sales tax rates. Officials everywhere think that the citizenry considers local taxes to be too high. But among 0 per cent officials, this particular psychological barrier to additional tax increases appears to be somewhat lower than it is for officials in the other two groups. As for local levels of spending and services, perceived public demands for increased governmental activity apparently accompany rises in the city sales tax rate. All three groups of officials tend to believe that citizens would rather increase taxes than cut services. But contrary to expectations, as the sales tax rate increases, the public is perceived to be more and more inclined to cut services instead of raising taxes.

In general, officials from all three groups of cities tend to perceive substantial agreement with constituents on revenue-raising preferences, local tax levels, and levels of municipal expenditures and activities. But contrary to what

one might expect, the amount of consensus on most issues tends to decline as the city sales tax rate rises.

The factors discussed thus far raise questions about constituency relations and representational responsiveness in the tax policy process. An examination of such matters suggests that differences in reliance on the local sales tax do not appear to be related to variations in the officials' perceptions of their representational role. All three groups of officials tend overwhelmingly to take a trustee role in going against public opinion concerning an unpopular tax-increase proposal. Despite this general pattern of trusteeship or "volunteerism," however, differences among the three groups do appear with respect to tax knowledge levels and preferred information sources. Relatively high tax knowledge seems to be positively associated with higher sales tax rates. And as the sales tax rate increases, officials seem somewhat more inclined to "look inward" for expert advice and to discount public opinion when it comes to consultations on means of raising additional revenue. This suggests that knowledge forms an important power base for the politically muscular sort of trusteeship which one might reasonably expect to find in tax leaders from cities with relatively high reliance on the local sales tax.

This notion that "knowledge is power" raises questions about the acquisition and transmission of such information within the context of differing tax and revenue policy processes. Data on preferred information sources suggest that city managers may play a critical part in this aspect of the process. Accordingly, the next chapter examines these matters in some depth.

CHAPTER V

CITY MANAGERS IN MUNICIPAL TAX POLITICS

Introduction

The preceding chapter explored various aspects of tax-leadership psychology to see how attitudes and perceptions related to differing tax and revenue policy processes. Several authors contend, however, that political structure or form may also constitute a critical variable in urban decision-making processes. For example, Crain and Rosenthal find that much of the literature on local political systems emphasizes common community values in explaining variations in the decision-making process. And, they add, this literature supports the idea that such values are reflected in different forms of government.¹ Hahn argues that "efforts to identify the forms of political behavior that emerge in cities with diverse structural characteristics" seem to be especially appropriate

¹Robert L. Crain and Donald B. Rosenthal, "Structure and Values in Local Political Systems: The Case of Fluoridation Decisions," Journal of Politics, XXVIII (February 1966), pp. 169-171.

for exploring local political affairs.² And Meltsner says that political scientists need to understand how the structure of political systems influences the kinds of taxes imposed on the citizenry.³

The last part of Chapter IV develops a "knowledge is power" argument to help explain differences in reliance on the local sales tax. And it suggests that a city manager/non-city manager framework might prove useful for examining how innovative fiscal information diffuses and becomes translated into tax and revenue policy. As Loveridge and Meltsner point out, the city manager's expertise, extensive informational resources, and grasp of detailed technical knowledge enable him--potentially, at least--to be a major policy innovator and leader.⁴ Thus, Table 4-14 in Chapter IV offers few surprises when it shows that a fairly large proportion of the municipal tax leaders turns to the city manager for information on complex financial issues.

²Harlan Hahn, "Reassessing and Revitalizing Urban Politics: Some Goals and Proposals," in People and Politics in Urban Society, ed. by Harlan Hahn, Urban Affairs Annual Reviews, Vol. 6 (Beverly Hills, California: Sage Publications, 1972), pp. 27-28.

³Arnold J. Meltsner, The Politics of City Revenue (Berkeley: University of California Press, 1971), p. 284.

⁴Ronald O. Loveridge, City Managers in Legislative Politics (Indianapolis: The Bobbs-Merrill Company, Inc., 1971), pp. 6-7; Meltsner, The Politics of City Revenue, pp. 51-60.

Several recent research efforts afford theoretical justification for studying tax policy innovations in terms of the city manager governmental structure and the impact of the professional manager's orientations and behavior in the information transmission process. Gray and Walker, for instance--though disagreeing sharply over analytical technicalities--nevertheless use structural units of analysis (states and regions) for exploring the diffusion of policy innovations. And they seem to agree that policy diffusion research should carefully consider how decision-makers acquire and transmit issue-related information.⁵ Rogers and Shoemaker point out that innovation involves closely interrelated changes in social structures and individual attitudes. Moreover, they continue, diffusion of innovation is essentially a communication process. And this process frequently begins with a professional change agent who seeks to influence innovation decisions in a direction which he deems desirable.⁶ Mohr

⁵See Jack L. Walker, "The Diffusion of Innovations among the American States," American Political Science Review, LXIII (September 1969), pp. 880-899; Virginia Gray, "Innovation in the States: A Diffusion Study," Jack L. Walker, "Comment: Problems in Research on the Diffusion of Policy Innovations," and Virginia Gray, "Rejoinder to 'Comment' by Jack L. Walker," American Political Science Review, LXVII (December 1973), pp. 1174-1193.

⁶Everett M. Rogers, with F. Floyd Shoemaker, Communication of Innovations--A Cross-Cultural Approach (2d ed.; New York: The Free Press, 1971), Chapter 1.

suggests that innovation is "the function of an interaction among the motivation to innovate, the strength of obstacles against innovation, and the availability of resources for overcoming such obstacles." And he lists a number of major correlates of innovation commonly associated with city managers and the council-manager form of government, e.g., organizational availability of resources; environmental norms favoring change; and individual change-favoring norms, cosmopolitaness, positive professional orientation, and opinion leadership.⁷

In short, the discussion thus far suggests that one may well acquire valuable insights into differences in reliance on the local sales tax by examining certain key financial, social, and attitudinal factors in terms of city manager/non-city manager governmental structure. And if these factors bring out a notable pattern of differences based on structure, then one might reasonably shift back to the sales tax rate framework used in earlier chapters and focus on differences among city managers themselves--paying special attention to their reported orientations and behavior as they acquire and communicate innovative fiscal information and possibly attempt

⁷Lawrence B. Mohr, "Determinants of Innovations in Organizations," American Political Science Review, LXIII (March 1969), pp. 111-114. Quote on p. 111.

to translate it into tax and revenue policy. The remainder of this chapter examines these matters in some detail.

Selected Indicators of Structural Differences

Preceding chapters bring out several factors which seem to be particularly important in accounting for differences in reliance on the local sales tax. More specifically, Chapter II (Table 2-4) confirms that as the sales tax rate rises, relative reliance on the sales tax as a source of revenue increases. Chapter IV suggests that increasingly favorable perceptions of the community tax climate and relatively high levels of tax knowledge are positively associated with higher tax rates (see Tables 4-3 and 4-13, statement 2). And as noted earlier in this chapter, Chapter IV also presents evidence that tax leaders frequently consult city managers on financial matters. Accordingly, in light of the preceding discussion, if governmental structure also seems to be related to differences in reliance on the local sales tax, then one might reasonably expect to find positive associations between these various indicators and the city manager form of government.

Reliance on the Sales Tax

Obviously, one would need to pursue this line of thought no further if the financial data indicate that non-city

manager cities rely on the local sales tax more heavily than city manager cities do. Table 5-1 shows, however, that this is not the case. City manager cities tend to rely more heavily on "direct impact taxes" than do non-city manager cities.

TABLE 5-1

RELiance ON "DIRECT IMPACT TAXES" FOR REVENUE, BY CITY MANAGER/
NON-CITY MANAGER FORM OF GOVERNMENT, 44 OKLAHOMA
MUNICIPALITIES, FISCAL YEAR 1972

Reliance Ranking Is:	Form of Government			
	City Manager		Non-City Manager	
	N	%	N	%
High	8	35	4	19
Medium	9	39	8	38
Low	<u>6</u>	<u>26</u>	<u>9</u>	<u>43</u>
Total	23	100	21	100

NOTE: See Chapter II, p. 55-56 for derivation of the reliance ranking scale.

SOURCE: Computed from statements of financial condition, city audit reports, and municipal public trust audit reports of the 44 cities.

Community Tax Climate

Both the results of this study and a number of other research efforts suggest that a favorable or progressive community tax climate would indicate differing innovation norms between tax leaders in city manager cities and those in non-city manager cities. Crain and associates, for example,

report that cities with the council-manager plan are best able to adopt a progressive innovation such as fluoridation.⁸

Wolfinger and Field find that the city manager form of government is strongly associated with a "public-regarding" ethos favoring "good government."⁹ Cistone and Hennessy indicate that school board members from council-manager cities hold stronger "good government" or "public-regarding" attitudes than do those from mayor-council cities with respect to the pro-efficiency, pro-expertise dimension of their study.¹⁰

To explore this matter in terms of Oklahoma municipal tax politics, I cross-tabulated the officials' responses to the four community tax climate statements (see Chapter IV, Table 4-3) according to whether the leaders came from city manager or non-city manager cities. Then I computed mean scores and an index of favorable tax climate (see Chapter IV, pp. 126-127, for the computational methods). The lower the score,

⁸ Robert L. Crain, Elihu Katz, and Donald B. Rosenthal, The Politics of Community Conflict: The Fluoridation Decision (Indianapolis: The Bobbs-Merrill Company, Inc., 1969) p. 158.

⁹ Raymond E. Wolfinger and John Osgood Field, "Political Ethos and the Structure of City Government," American Political Science Review, LX (June 1966), pp. 312-315.

¹⁰ Peter J. Cistone and Bernard Hennessy, "School Board Members' Attitudes and Administrative Forms: An Exploration of Public-Regardingness," Midwest Journal of Political Science, XV (August 1971), pp. 587-594.

the more favorable a given aspect of the community tax climate is perceived to be. Table 5-2 shows a slight but nevertheless distinct tendency for tax leaders from city manager cities to perceive a more generally favorable tax climate.

TABLE 5-2
OFFICIALS' MEAN RESPONSES TO COMMUNITY TAX CLIMATE STATEMENTS,
BY CITY MANAGER/NON-CITY MANAGER FORM OF
GOVERNMENT

Statement	Form of Government	
	City Manager	Non-City Manager
1. People here have a progressive spirit and want to boost the community.	2.14	2.51
2. The people here have a good sense of civic responsibility when it comes to facing up to community problems.	1.99	2.47
3. In general, people here support the efforts of their city officials to cope with the problems facing the city.	1.99	2.14
4. In general, people here will support a tax increase if their city officials show them the need for one.	2.16	2.28
Index of perceived tax climate:	2.07	2.35
(N)	(145)	(79)

Tax Knowledge

To look for tax knowledge differences between the two groups of officials, I computed mean scores for the following "six-point agree-disagree" statement (see Table 4-13 and discussion on pp. 185-191 in Chapter IV): "The average citizen in your city is as well informed on local government tax and revenue matters as you are." In this case, the higher the score, the more knowledgeable the officials feel in relation to their constituents. The mean score for officials from city manager cities is 4.26; the score for the other group, 3.85. And some of the proportions along the agree-disagree continuum are even more interesting than are the mean scores. For instance, only 12.4 per cent of the city-manager officials strongly or pretty much agree with the statement. In contrast, 29.1 per cent of the officials from non-city manager cities hold similar views.

These figures would appear to lend some support to the notion that tax leaders' financial sophistication tends to be higher in city manager cities. The following comments by non-city manager officials illustrate this point rather well:

We have a need for advice as to what we should be charged by consulting engineers for their services. We need ideas as to cleaning up junkyards and other eyesores. (Official 098)

Sometimes I wish there were an agency or private enterprise where a person could turn to get factual information on different city functions. For instance, we have a hospital board and a hospital trust who run the hospital. We have a utility board who runs the city utilities. A fire board--low rent housing board, etc. Oftentimes if we want to change a procedure, we are told that we cannot for some reason or another. We recently wanted to make some changes in our volunteer fire department, but couldn't for jeopardizing pensions--or at least we were so told. The hospital wants us to convert half of our sales tax to them, or the hospital will be closed because of failure to meet Medicare standards. We're told we cannot change the sales tax as our revenue sharing is partially based on our sales tax revenue. In other words, the council receives biased information, depending on which department head is talking. We need a computer to sort it all out. (Official 084)

Revenue Information Source

Where do officials turn for information on innovative tax and revenue matters? Walker urges innovation researchers to concentrate on questions such as the information sources used by decision-makers.¹¹ In Chapter IV, Table 4-14 and some of the literature cited on page 196 suggest that the city manager is an exceedingly important source of information.

To explore this matter in terms of political behavior differences between tax leaders from city manager cities and those from non-city manager cities, I first excluded the 21 city managers from the sample of officials, grouped the

¹¹Walker, "Comment . . . ," p. 1191.

remaining officials according to their form of government, and cross-tabulated their preferred information sources in a situation requiring that a large amount of additional revenue be raised (see Chapter IV, Table 4-14 and discussion on pages 191-196). Table 5-3 shows how the officials responded.

TABLE 5-3

OFFICIALS' (EXCLUDING CITY MANAGERS) PREFERRED REVENUE INFORMATION SOURCES, BY CITY MANAGER/NON-CITY MANAGER FORM OF GOVERNMENT (in percentages)

Preferred Source Is:	Form of Government	
	City Manager	Non-City Manager
Municipal govt.:		
Council (board) members	28.0	42.0
City mgr. or other administrators	<u>32.0</u>	<u>4.5</u>
Total	60.0	46.5
Personal:		
Personal knowledge	14.4	12.5
Other personal sources	<u>1.6</u>	<u>3.4</u>
Total	16.0	15.9
Public:		
Citizens-at-large	10.4	15.9
Community interest groups	<u>13.6</u>	<u>21.6</u>
Total	<u>24.0</u>	<u>37.5</u>
TOTAL	100.0	99.9
(N)	(125)	(88)

NOTE: Percentages do not always total 100 because of rounding.

If one assumes that practically all of the city manager officials would be more likely to consult with the manager than with other municipal administrators, he can see that the city manager is indeed an important source of information. About one-third of the leaders from city manager cities would turn to him for counsel. In contrast, only about 5 per cent of the other group of officials would look to administrative personnel for guidance.

Some of the officials' comments revealingly illustrate this point about the importance of the city manager as an information source. For example, one official recites a long list of municipal financial woes and then concludes:

It is important that the council and city manager meet probably once a month besides the regular council meeting for a skull session so needed problems can be discussed openly. You just can't cover all the problems in the regular meetings where a regular agenda is followed. (Official 308)

This official's comment also illustrates another point brought out by Table 5-3. That is, the city manager form of government seems to intensify the "inward-looking" tendencies of officials--a factor which Chapter IV shows to be somewhat related to higher tax rates. Whereas only about one-fourth of the city manager officials would consult with the public, the proportion rises to almost 40 per cent for officials from non-city manager cities. This finding appears to be in keeping

with the results of certain other research. For example, Cistone and Hennessy report that school board members from council-manager cities are more willing than are those from mayor-council cities to let administrative experts handle tasks generally deemed suitable for citizen participation.¹²

To summarize this section, then, the city manager form of government does appear to be an important factor in accounting for variations in reliance on the municipal sales tax. As compared with their counterparts in the non-city manager cities, officials from city manager cities tend to perceive a more favorable tax climate, to consider themselves more knowledgeable about tax and revenue matters, and to acquire such information from bureaucratic rather than constituent sources. And these differences seem to be translated into variations in policy innovation. As Table 5-1 reveals, city manager cities tend to rely more heavily on the local sales tax.

City Manager Similarities and Differences

The preceding section suggests that city managers are indeed a potent force in municipal tax and revenue politics. Moreover, a good deal of their power appears to grow out of their knowledge-and information transmission activities. At

¹²Cistone and Hennessy, "School Board Members' Attitudes and Administrative Forms . . . ," pp. 587-594.

the same time, however, one cannot simply conclude on that note. At all three tax rates, the subsamples of cities divide about evenly between the council-manager and the mayor-council forms of government. This fact suggests that in trying to account for differences in reliance on the local sales tax, one might fruitfully focus on similarities and differences among city managers in the three groups of cities. This approach admittedly provides an incomplete picture since it omits any effort to isolate comparably critical leaders in the non-city manager cities. But limitations of time and resources precluded the development and implementation of a research design broad enough to attack this part of the problem.

Time in Community and Position

Rogers and Shoemaker say that with respect to collective innovation decisions, longevity within a given social system tends to inhibit activity by stimulators.¹³ At the municipal level, adopting the local sales tax would provide an example of this sort of collective innovation decision. Chapter III presents evidence that higher sales tax rates are positively associated with relatively high proportions of "progressive" newcomers. And in this chapter, the discussion

¹³Rogers and Shoemaker, Communication of Innovations, p. 278.

thus far suggests that the city manager form of government and city managers are related to key fiscal, attitudinal, and informational indicators of tendencies toward higher reliance on the sales tax. Accordingly, if city managers do indeed play a critical part in municipal tax and revenue policy decisions concerning the sales tax, one might reasonably expect to find that as the sales tax rate rises, the proportion of "short-timer" city managers increases. Table 5-4 examines this proposition.

TABLE 5-4

CITY MANAGERS' DURATION OF RESIDENCE IN COMMUNITY AND
TENURE IN OFFICE, BY LOCAL SALES TAX RATE

Residence and Tenure (years)	Sales Tax Rate							
	0%		1%		2%		Total	
	Cities		Cities		Cities			
	N	%	N	%	N	%	N	%
Residence:								
0-4	1	16.7	2	28.6	6	75.0	9	42.9
5-more	<u>5</u>	<u>83.3</u>	<u>5</u>	<u>71.4</u>	<u>2</u>	<u>25.0</u>	<u>12</u>	<u>57.1</u>
Total	6	100.0	7	100.0	8	100.0	21	100.0
Tenure								
0-4	2	33.3	4	57.1	7	87.5	13	61.9
5-more	<u>4</u>	<u>66.7</u>	<u>3</u>	<u>42.9</u>	<u>1</u>	<u>12.5</u>	<u>8</u>	<u>38.1</u>
Total	6	100.0	7	100.0	8	100.0	21	100.0

Table 5-4 confirms that the expected relationship does indeed appear. With respect to both residence and tenure, the

managers' background characteristics tend to become more favorable to innovativeness as the sales tax rate rises. The contrast between the 0 per cent and the 2 per cent managers is particularly striking.

The overall tenure figures are generally consistent with the findings of other researchers. For example, Buechner reports that 72.2 per cent of the Colorado city managers had been in their present positions for no more than four years.¹⁴ And Booth indicates that of 140 small cities with the manager plan, 65 per cent had an average managerial tenure in office of 4.4 years or less.¹⁵

Taxes and Spending

Williams and Adrian observe that the city manager's professional code will not allow him to sit idly by and watch municipal facilities deteriorate in order to have low taxes.¹⁶ In addition, Fisher and Fairbanks imply that professional

¹⁴John C. Buechner, Differences in Role Perceptions in Colorado Council-Manager Cities (Boulder: Bureau of Governmental Research and Service, University of Colorado, 1965), p. 22.

¹⁵David A. Booth, Council-Manager Government in Small Cities (Washington, D.C.: International City Managers' Association, 1968), p. 84. Percentage computed.

¹⁶Oliver P. Williams and Charles R. Adrian, Four Cities: A Study in Comparative Policy Making (Philadelphia: University of Pennsylvania Press, 1963), p. 283.

standards encourage managers to take a more expansive view of adequate services and spending levels than city councils generally do.¹⁷

With one notable exception, all three groups of city managers tend to conform to this picture. Two-thirds of the 0 per cent, five-sevenths of the 1 per cent, and three-fourths of the 2 per cent managers say that municipal spending and services should be increased. Moreover, two-thirds of the 0 per cent and one-half of the 2 per cent managers believe that local taxes are too low. Interestingly, however, five of the seven managers from 1 per cent cities feel that the present level of taxes is about right. This proportion (71.4 per cent) is almost exactly the same as that for the entire group of 1 per cent officials (69.0 per cent) and lends further support to speculation that this particular opinion on taxes may furnish a clue as to why the 1 per cent cities have not gone to the maximum sales tax rate.

In general, however, the city managers' similarities in viewpoint stand out much more sharply than do their differences. Overall, they want to expand governmental getting and

¹⁷Glenn W. Fisher and Robert P. Fairbanks, Illinois Municipal Finance--A Political and Economic Analysis (Urbana: University of Illinois Press, 1968), p. 195.

spending. As Wells concludes after a survey of 26 city managers in Missouri, their public service ideology implies

a tendency to justify a central role for government in the life of society. Men do not ordinarily become career public executives . . . in order to preside over the liquidation or curtailment of governmental functions for which they have been made responsible "Progress," a word much on the lips of professional managers, is not likely to be defined in terms of the withering away of the state.¹⁸

Governmental Policy Roles

Williams and Adrian argue that city managers like economic growth and amenities orientations since these governmental roles provide a policy basis for innovative managerial leadership. In contrast, small government and arbitration roles tend to create an environment hostile to the managers' commitments to expansion of governmental activity and increased administrative efficiency.¹⁹ In light of this theoretical guidance and earlier findings in this study, one might reasonably expect to find that as the sales tax rate rises, city managers tend more and more to see growth and amenities roles for their communities. But Table 5-5 reveals a somewhat different pattern of perceptions.

¹⁸Lloyd M. Wells, "Social Values and Political Orientations of City Managers: A Survey Report," Southwestern Social Science Quarterly, XLVIII (December 1967), p. 449.

¹⁹Williams and Adrian, Four Cities, pp. 278-284.

TABLE 5-5
RANK-ORDER OF POLICY ROLES OF GOVERNMENT AS PERCEIVED BY
CITY MANAGERS, BY LOCAL SALES TAX RATE

Policy Role and Rank-Order Are:	Sales Tax Rate							
	0%		1%		2%		Total	
	N	%	N	%	N	%	N	%
Economic growth								
First or second	5	83.3	6	85.7	6	75.0	17	81.0
Third, fourth or other	<u>1</u>	<u>16.7</u>	<u>1</u>	<u>14.3</u>	<u>2</u>	<u>25.0</u>	<u>4</u>	<u>19.0</u>
Total	6	100.0	7	100.0	8	100.0	21	100.0
Amenities								
First or second	4	66.7	5	71.4	4	50.0	13	61.9
Third, fourth, or other	<u>2</u>	<u>33.3</u>	<u>2</u>	<u>28.6</u>	<u>4</u>	<u>50.0</u>	<u>8</u>	<u>38.1</u>
Total	6	100.0	7	100.0	8	100.0	21	100.0
Small government								
First or second	2	33.3	2	28.6	2	25.0	6	28.6
Third, fourth or other	<u>4</u>	<u>66.7</u>	<u>5</u>	<u>71.4</u>	<u>6</u>	<u>75.0</u>	<u>15</u>	<u>71.4</u>
Total	6	100.0	7	100.0	8	100.0	21	100.0
Arbitration								
First or second	1	16.7	1	14.3	3	37.5	5	23.8
Third, fourth, or other	<u>5</u>	<u>83.3</u>	<u>6</u>	<u>85.7</u>	<u>5</u>	<u>62.5</u>	<u>16</u>	<u>76.2</u>
Total	6	100.0	7	100.0	8	100.0	21	100.0

Overall, in keeping with the Williams and Adrian argument, the city managers as a group tend to rank economic growth and amenities high and to deemphasize small government and arbitration. The number one rankings are distributed as follows: economic growth--67 per cent, amenities--19 per cent, small government--9 per cent, and arbitration--5 per cent. These findings are generally consistent with the results of previous research, although the proportion of those managers stressing economic growth tends to be somewhat greater than is the case elsewhere. For example, Booth's survey of city managers across the nation shows that 53 per cent identified economic growth as the main governmental role; 24 per cent, amenities; 15 per cent, "caretaker" government; 1 per cent, arbitration; and 8 per cent, a combined "transitional-composite" role.²⁰ And Loveridge indicates that of 57 San Francisco Bay area managers, about 47 per cent ranked economic growth as the number one orientation; 26 per cent, amenities; 13 per cent, small government; and 14 per cent, arbitration.²¹

Contrary to expectations, however, the proportion of Oklahoma managers assigning a high priority to growth and

²⁰Booth, Council-Manager Government in Small Cities, p. 43.

²¹Loveridge, City Managers in Legislative Politics, p. 71. Percentages computed.

amenities generally tends to decrease as the tax rate rises. As might be expected, the proportion of those managers perceiving a strong "caretaker" government orientation decreases somewhat as the tax rate goes up. But the ratios for the arbitration role come as a distinct surprise. More than one-third of the 2 per cent managers see arbitration as an important role, whereas less than one-fifth of the 0 and the 1 per cent managers give this orientation a comparable ranking.

Loveridge's analysis of San Francisco Bay area managers may offer some insights into this rather puzzling pattern of responses. Having divided the managers according to generally political or administrative personal policy orientations, he finds that perceptions of economic growth and amenities roles for their cities apparently have little influence on the managers' personal policy role orientations. Large proportions of managers with both political and administrative orientations give growth and amenities high rankings. In contrast, Loveridge continues, 86 per cent of the "caretaker" cities have managers with administrative orientations; in 75 per cent of the arbiter cities, the managers are politically oriented. Accordingly, he concludes, as the Williams and Adrian typology suggests, small government cities impose or at least encourage a narrowly defined policy role for the manager. However, with

respect to the arbiter cities, a lack of consensus on political values seems to necessitate highly politicized managers instead of ones who feel constrained in their policy role.

"Perhaps the arbiter city gives a manager authority to more directly articulate and work toward executive policy objectives for city government."²²

In addition to rescuing the arbitration category from the oblivion to which it was consigned in earlier chapters of this study, Loveridge's line of thought not only helps to account for the unexpected differences among the three groups of Oklahoma managers, but also offers valuable guidance in looking for further clues as to ways in which attitudinal and behavioral differences among the managers may be related to variations in reliance on the local sales tax. More specifically, Loveridge's analysis suggests that one should look for evidence indicating that the three groups of managers tend to differ with respect to their personal policy role orientations and behavior. Presumably, as the sales tax rises, one might reasonably expect to find city managers becoming more and more politicized.

To summarize the discussion thus far, then, city manager cities tend to rely more heavily on the local sales tax

²²Ibid., pp. 70-71. Quote on p. 71.

than do mayor-council cities. And as compared with officials from cities without the manager plan, tax leaders in council-managers cities are more likely to consider the community tax climate to be favorable, to feel themselves fiscally sophisticated, and to rely on administrators rather than the citizenry for innovative tax and revenue information. Turning to the managers themselves, one sees that their views on local tax and spending levels differ very little according to the sales tax rate of their cities. However, as the sales tax rate rises, increasing proportions of managers tend to have residency and tenure characteristics often associated with innovativeness. Finally, all three groups of managers tend to assign high rankings to economic growth and amenities policy roles for their governments and correspondingly low priorities to small government and arbitration orientations. Contrary to expectations, however, the importance of the former two roles tends to decrease as the tax rate goes up. Perceptions of the "caretaker" role tend to follow the expected pattern of decreasing as the tax rate rises. But surprisingly, the arbitration role receives increasing stress as the tax rate goes up. This latter finding becomes less puzzling and provides valuable research guidance if one relates it to possible differences in the personal policy orientations and behavior of the city managers.

City Manager Orientations and Behavior

According to Loveridge, the successful city manager must literally become the town's premier politician.²³ This seems to be particularly true with respect to municipal tax and revenue matters. For example, in his case study of Oberlin, Ohio, Wildavsky says that the limited resources of the city place the most significant restrictions on the city manager, and that perhaps the most critical problem facing the manager is finding a politically palatable method of raising revenue to meet the ever-increasing responsibilities of the city.²⁴ And although Meltsner contends that the Oakland city manager believes in separating politics from administration, he nevertheless realizes that in financial affairs, "he is a policy maker and that politics are a part of his job."²⁵ Earlier discussion in this chapter suggests that Oklahoma managers may tend to differ in their political policy-making attitudes and behavior, and that these differences may be related to variations in reliance on the local sales tax. Accordingly, this section probes for evidence of attitudinal

²³Ibid., p. 108.

²⁴Aaron Wildavsky, Leadership in a Small Town (Totowa, New Jersey: The Bedminster Press, 1964), p. 222.

²⁵Meltsner, The Politics of City Revenue, pp. 57-58. Quote on p. 58.

and behavioral policy-making differences among the three groups of managers.

Professionalism and Diffusion of Innovations

In a famous article written some years ago, Gouldner hypothesizes that organizational members will tend to take on either a "cosmopolitan" or a "local" role or identity. Cosmopolitans presumably have such characteristics as a low degree of attachment to their employing organization, a high level of commitment to specialized role skills, and a tendency to orient themselves toward outer reference groups. Locals, in contrast, are high on organizational loyalty, low on commitment to specialization, and oriented toward inner reference groups.²⁶ Rogers and Shoemaker say that innovators are more likely to have reference groups external to rather than within their social systems. That is, stimulators of collective innovation decisions tend to be more cosmopolite than are other members of a given collectivity. "The cosmopolitaness of stimulators may be expressed by wide travel, readership of nonlocal publications, affiliation with national or international

²⁶Alvin W. Gouldner, "Cosmopolitans and Locals: Toward an Analysis of Latent Social Roles--I," Administrative Science Quarterly, II (December 1957), p. 290. For the second part of this article, see ibid. (March 1958), pp. 444-480.

organizations, or by membership in professional occupations associated with occasional migration"27 And Walker argues that state officials tend to become more cosmopolitan and innovative as a result of their taking cues diffused through specialized communications systems, the most important of which are professional associations.²⁸

These views fit in well with the usual portrayal of the city manager. In contrast to the "local" tendencies commonly attributed to most municipal officials, writers such as Williams and Adrian and Kammerer contend, the professionally oriented city manager looks outward to his peers in the International City Managers' Association (ICMA) for guidance on the way in which he should perceive his job.²⁹ Loveridge and Crain and associates echo these sentiments and add that the manager's composite key reference group, *i.e.*, his professional colleagues, organizations, and publications, urges him to

²⁷Rogers and Shoemaker, Communication of Innovations, pp. 189 and 277. Quote on p. 277.

²⁸Walker, "The Diffusion of Innovations . . . ," pp. 888-895.

²⁹Williams and Adrian, Four Cities, p. 283; Gladys M. Kammerer, "Role Diversity of City Managers," Administrative Science Quarterly, VIII (March 1964), p. 427.

become an active and innovative policy leader and indeed advises him on how to go about doing so.³⁰

Empirical research tends to bear out these generalizations. For example, having examined 1952-1962 issues of Public Management, professional journal of the ICMA, for articles revealing professional role expectations, Kammerer reports that the role of policy leader or innovator led the list, with--incidentally--fiscal expert tied for second with two other roles.³¹ Buechner indicates that practically all of the Colorado city managers not only felt obliged to but also actually did read professional journals regularly and work on committees sponsored by state and national professional organizations.³² Loveridge finds a strong sense of professional identification, as measured by attendance at League of California Cities conferences, among San Francisco Bay area managers--although politically oriented managers were noticeably more likely to engage in this sort of professional activity than were their administratively oriented colleagues.³³ And

³⁰Crain, Katz, and Rosenthal, The Politics of Community Conflict, pp. 197-198; Loveridge, City Managers in Legislative Politics, pp. 44-47.

³¹Kammerer, "Role Diversity of City Managers," p. 428.

³²Buechner, Differences in Role Perceptions . . ., p. 33.

³³Loveridge, City Managers in Legislative Politics, pp. 63-64.

Wright's survey suggests that city managers devote a good deal of time to maintaining contacts with administrative officials at all levels of government and to gathering information through various administrative and professional channels.³⁴

In view of such theoretical guidance and empirical findings, I decided to look at the Oklahoma managers' professional identification and sources of tax and revenue cues as an initial step in trying to establish differences in policy orientations and behavior. Accordingly, I first asked the managers how they felt about being a member of the city manager profession (see Appendix A, item 30, for the exact wording of the question and the possible responses). Although the data on the managers' length of residence and tenure suggest that stronger professional identification would tend to accompany a rising tax rate, the managers' responses do not support such a hypothesis. Instead, 18 of the 21 managers (85.7 per cent) consider membership in the profession to be "very important" to them. One manager from a 2 per cent city and another from a 1 per cent city believe that membership is "somewhat important," and a single 0 per cent manager thinks

³⁴Deil S. Wright, "The City Manager as a Development Administrator," in Comparative Urban Research: The Administration and Politics of Cities, ed. by Robert T. Daland (Beverly Hills, California: Sage Publications, 1969), p. 230.

that the profession is "a little important" to him. One can, of course, question these responses on the grounds that many small-city managers are not really professionals in the commonly accepted sense of the word, but instead are just local citizens or municipal officials (e.g., city engineers) who more or less "stumbled" into their jobs. But for the purposes of this study, the important thing here is their perceptions, not their actual backgrounds. And the responses indicate little variation in the professional orientation of the three groups of managers.

All three groups of managers apparently have a strong sense of "outward-looking" professional identification. But as Buechner and Wright point out, the city manager occupies an intermediary position linking his professional reference groups to his municipal organization and his community.³⁵ Moreover, says Booth, although the professional city manager is a member of two worlds, he must operate within a local environment which will frequently reject behavior based on values drawn from outside sources. Accordingly, he must minimize professional considerations and values in both his thinking and his work. Instead, he must seek community advice

³⁵Buechner, Differences in Role Perceptions . . ., p. 6; Wright, "The City Manager as a Development Administrator," p. 230.

and do things the "local" way. To back up these generalizations, Booth notes that just three of the managers surveyed said that they even occasionally called on outside managers or the ICMA for assistance with a local problem. "The typical pattern was to seek consultations with local people, local leaders and organizations."³⁶ In short, Booth would agree with Kessel that any "city manager who accepted his cues about correct behavior from outside professional sources would be much more likely to act so as to upset the social equilibrium or violate certain local norms."³⁷

To explore this aspect of the problem in terms of differences in innovative tax and revenue policy-making processes, I asked the city managers about their chief source of new fiscal information and checked their preferred source of advice on the most feasible means of raising additional revenue (see Appendix A, items 29 and 5 respectively, for the questions and the possible responses). Tables 5-6 and 5-7, showing the replies, bring out some interesting points about the "localism" argument discussed in the preceding paragraph.

³⁶Booth, Council-Manager Government in Small Cities, pp. 120-124. Quote on p. 121.

³⁷John H. Kessel, "Governmental Structure and Political Environment: A Statistical Note about American Cities," American Political Science Review, LVI (September 1962), p. 616.

TABLE 5-6

CITY MANAGERS' MAIN SOURCE OF NEW INFORMATION ON LOCAL TAX AND
REVENUE MATTERS, BY LOCAL SALES TAX RATE

Main Source Is:	Sales Tax Rate							
	0%		1%		2%		Total	
	N	%	N	%	N	%	N	%
External								
Other city mgrs.	1	16.7	2	28.6	2	25.0	5	23.8
Professional education	0	0.0	0	0.0	2	25.0	2	9.5
Professional reading	4	65.7	2	28.6	2	25.0	8	38.1
Other outside sources	<u>0</u>	<u>0.0</u>	<u>2</u>	<u>28.6</u>	<u>1</u>	<u>12.5</u>	<u>3</u>	<u>14.3</u>
Total	5	83.4	6	85.8	7	87.5	18	85.7
Internal								
Other city administrators	1	16.7	1	14.3	0	0.0	2	9.5
Council members	0	0.0	0	0.0	0	0.0	0	0.0
Citizens-at-large	0	0.0	0	0.0	0	0.0	0	0.0
Community interest groups	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>	<u>1</u>	<u>12.5</u>	<u>1</u>	<u>4.8</u>
Total	<u>1</u>	<u>16.7</u>	<u>1</u>	<u>14.3</u>	<u>1</u>	<u>12.5</u>	<u>3</u>	<u>14.3</u>
TOTAL	6	100.1	7	100.1	8	100.0	21	100.0

NOTE: Percentages do not always total 100 because of rounding.

TABLE 5-7

CITY MANAGERS' PREFERRED SOURCE OF REVENUE-RAISING INFORMATION,
BY LOCAL SALES TAX RATE

Preferred Source Is:	Sales Tax Rate							
	0%		1%		2%		Total	
	Cities		Cities		Cities		Total	
	N	%	N	%	N	%	N	%
Municipal govt.:								
Council members	2	33.3	4	57.1	3	37.5	9	42.9
Other city administrators	<u>2</u>	<u>33.3</u>	<u>1</u>	<u>14.3</u>	<u>0</u>	<u>0.0</u>	<u>3</u>	<u>14.3</u>
Total	4	66.6	5	71.4	3	37.5	12	57.2
Public:								
Citizens-at- large	0	0.0	0	0.0	0	0.0	0	0.0
Community interest groups	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>	<u>1</u>	<u>12.5</u>	<u>1</u>	<u>4.8</u>
Total	0	0.0	0	0.0	1	12.5	1	4.8
Personal:								
Personal know- ledge	2	33.3	2	28.6	3	37.5	7	33.3
Other personal sources	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>	<u>1</u>	<u>12.5</u>	<u>1</u>	<u>4.8</u>
Total	<u>2</u>	<u>33.3</u>	<u>2</u>	<u>28.6</u>	<u>4</u>	<u>50.0</u>	<u>8</u>	<u>38.1</u>
TOTAL	6	99.9	7	100.0	8	100.0	21	100.1

NOTE: Percentages do not always total 100 because of rounding.

In keeping with their strong sense of professional identification, all three groups of managers, Table 5-6 reveals, tend to rely heavily on outside sources for innovative tax and revenue information and ideas. In this case of cue-taking, at least, the "localism" argument does not seem to stand up. Instead, all three groups of managers apparently tend to fit into the commonly accepted pattern of innovations communicated through cosmopolitan reference groups.

One must, however, view the data in Table 5-7 from a different perspective. The innovation diffusion process can be looked upon as essentially an administrative matter. Accordingly, one might reasonably expect to find little difference among the three groups in this part of the process. But asking about the best way to raise additional public monies takes one into the realm of political feasibility. Here, the "localism" idea has a different meaning and more importance. And, significantly, differences among the three groups do appear at this point. All three groups of managers largely ignore the public, although--as subsequent analysis will show--it does seem worth noting that one of the 2 per cent managers looks to the community for advice and support. But much more importantly, Table 5-7 presents evidence that as the tax rate approaches the maximum allowable rate, city managers are less likely to

seek political guidance from decision-makers within the local "official family" and are more prone to consult personal sources of knowledge. And in light of the data on the innovation diffusion process, one might reasonably conclude that this knowledge originates with external reference groups.

In short, the data suggest that with respect to variations in reliance on the local sales tax among city manager cities, a critical "moment of truth" arrives when managers must take their professionally oriented innovative knowledge into the political arena. Chapter IV advances a "knowledge is power" argument to help account for differences in reliance on the local sales tax. The question here seems to involve differences in the managers' willingness to assume the policy leadership role necessary to translate professionally acquired knowledge into financial policy power. Table 5-7 suggests that such willingness may well tend to increase as the sales tax rate rises. Accordingly, the next task is to see whether the managers do in fact report differences in their leadership roles and behavior.

Leadership Roles and Implementation of Tax and Revenue Innovations

Representational role

An earlier part of this chapter revealed that an unexpectedly high proportion of 2 per cent city managers

perceives strong arbitration roles for their municipal governments. And this fact led to speculation that such governmental policy orientations may be associated with relatively more politicized city managers. The question used to examine representational role orientations in Chapter IV (see Appendix A, item 6) seems particularly appropriate for looking at one aspect of differences in the managers' personal policy orientations, for it raises a conflict situation dealing with an unpopular tax-increase proposal. In keeping with the line of thought being developed here, relatively more political managers should be more willing to try to work out political policy accommodations which would permit passage of a sales tax proposal. And, accordingly, if this is the case, one might reasonably speculate that as the sales tax rate rises, the proportion of "politico" managers increases. Table 5-8 lends some support to this proposition.

TABLE 5-8
CITY MANAGERS' REPRESENTATIONAL ROLE ORIENTATIONS,
BY LOCAL SALES TAX RATE

Representational Role of Managers	Sales Tax Rate							
	0%		1%		2%		Total	
	Cities		Cities		Cities			
	N	%	N	%	N	%	N	%
Trustee	5	83.3	6	85.7	5	62.5	16	76.2
Delegate	0	0.0	1	14.3	0	0.0	1	4.8
Politico	<u>1</u>	<u>16.7</u>	<u>0</u>	<u>0.0</u>	<u>3</u>	<u>37.5</u>	<u>4</u>	<u>19.0</u>
Total	6	100.0	7	100.0	8	100.0	21	100.0

As might be expected from the results of previous research, all three groups of managers tend to take the trustee role. But the important thing here is the relative proportions of politicians. The ratio of politicians from the 2 per cent cities contrasts strikingly with those of the other two groups of managers. Whereas only one of the 0 per cent managers and none of the 1 per cent managers would assume the politico role, three of the eight 2 per cent managers indicate such an orientation. The other two roles are, of course, indicative of political stances, too. But given the nature of the question used to gauge these role orientations, the "simon purity" of both the trustee and the delegate stands seems to be more in keeping with a "good government" administrative policy orientation than with a predisposition toward the political maneuvering needed to introduce tax and revenue innovations successfully. In any case, Table 5-8 does seem to provide some evidence that as the sales tax rate rises, managers tend to become more inclined to engage in innovative politicking and policy leadership on non-routine activities. And this conclusion appears to be generally consistent with Loveridge's finding that politically oriented managers in the San Francisco Bay area translate their orientations into direct styles of policy leadership and innovation, whereas

their administratively oriented counterparts remain more aloof from political give-and-take and more reluctant to push for changes in the status-quo.³⁸

Policy role

The city manager literature abounds with analyses of whether managers are or should be policy leaders. The general thrust of the findings is that councilmen claim to oppose a strong leadership role for their managers, but that managers themselves contend that they should and do lead.

On the council side of the controversy, Eyestone, for instance, says that most councils in the San Francisco Bay area insist that they, not the managers, are the policy leaders.³⁹ In general, Loveridge finds that the Bay area councilmen strongly oppose a policy leadership role for the city manager, favoring instead an administrative orientation. They expect him to administer efficiently, avoid direct involvement in municipal policy and political processes, and furnish good advice and information. Only 14 per cent of the councilmen think that the manager should be a policy leader. And less

³⁸Loveridge, City Managers in Legislative Politics, pp. 114-122.

³⁹Robert Eyestone, The Threads of Public Policy: A Study in Policy Leadership (Indianapolis: The Bobbs-Merrill Company, Inc., 1971), pp. 122-123.

than 20 per cent believe that the city manager should act as a politically oriented executive or leader.⁴⁰ Buechner reports that in Colorado, nearly one-half of the responding councilmen feel that the manager should not play a leading role in policy-making.⁴¹

From the perspective of city managers, Boynton indicates that of more than 1,000 managers nationwide, 86 per cent agree that managers must usually lead their councils, and 58 per cent concur with the idea that successful managers are major policy formulators.⁴² Booth's survey of small-city managers throughout the country shows better than 80 per cent of the respondents agreeing with a statement prescribing a leading, activist policy-making role for managers.⁴³ According to Buechner, two-thirds of the Colorado city managers hold that the manager should play a leading policy-making role.⁴⁴

⁴⁰Loveridge, City Managers in Legislative Politics, pp. 80-90.

⁴¹Buechner, Differences in Role Perceptions . . . , p. 16.

⁴²Robert Paul Boynton, Code: The City Manager and His Profession (Iowa City: Institute of Public Affairs, University of Iowa, n.d.), pp. 48 and 50, cited by Wright, "The City Manager as a Development Administrator," p. 225.

⁴³David A. Booth, "Are Elected Mayors a Threat to Managers?" Administrative Science Quarterly, XII (March 1968), p. 584. Percentage computed.

⁴⁴Buechner, Differences in Role Perceptions . . . , p. 16.

Loveridge says that 88 per cent of the San Francisco Bay area managers agree that the city manager should be a policy innovator; 53 per cent, a political leader.⁴⁵

As for the actual policy behavior of managers, Booth indicates that city managers emerge as general policy initiators and activists in nearly 60 per cent of the cities in his sample.⁴⁶ Wright observes that 65 per cent of the managers in his survey indicate that more than two-thirds of the policy questions on council agenda get there solely at the managers' initiative. And, he continues, such agenda-fixing or gatekeeper powers "clearly establish the manager as the dominant policy initiator in most manager cities."⁴⁷ Meltsner finds that in the tax and revenue politics of Oakland, "councilmen [merely] legitimize the finance policy of the city manager."⁴⁸

In terms of the "real world" of day-to-day municipal politics, one can probably boil down all of this attitudinal and behavioral controversy to the unremarkable statement that

⁴⁵Loveridge, City Managers in Legislative Politics, p. 48.

⁴⁶Booth, Council-Manager Government in Small Cities, p. 102.

⁴⁷Wright, "The City Manager as a Development Administrator," pp. 224-225. Quote on p. 225.

⁴⁸Meltsner, The Politics of City Revenue, p. 60.

most managers innovatively lead policy-making, whereas others do not. Loveridge suggests that a key variable in accounting for this difference is whether a manager has a political or an administrative (i.e., controversy-avoiding) policy orientation.⁴⁹

Earlier analysis in this chapter suggests that as the sales tax rate rises, the proportion of politically oriented managers may well increase. To explore this hypothesis, I asked the city managers to characterize their behavior in the tax and revenue policy-making process. The four possible responses--adviser, participant, developer, leader--were intended to establish a spectrum of policy orientations ranging from strongly administrative to strongly political. Appendix A, item 32, shows the exact wording of the question and the possible responses.⁵⁰ Table 5-9 gives the managers' replies.

Although the pattern of responses is not quite the same as the one predicted, it does appear to be similar enough to expectations to support the idea that differences in reliance on the local sales tax are associated with variations in the policy role orientations of city managers. Whereas two-thirds of the 0 per cent managers perceive their role administratively,

⁴⁹Loveridge, City Managers in Legislative Politics, p. 52.

⁵⁰This question was adapted from an item in Loveridge's questionnaire. See ibid., p. 191.

TABLE 5-9
CITY MANAGERS' POLICY ROLE ORIENTATION, BY LOCAL
SALES TAX RATE

Policy Role Is:	Sales Tax Rate							
	0%		1%		2%		Total	
	N	%	N	%	N	%	N	%
Adviser	2	33.3	1	14.3	1	12.5	4	19.0
Participant	2	33.3	1	14.3	3	37.5	6	28.6
Developer	1	16.7	2	28.6	1	12.5	4	19.0
Leader	<u>1</u>	<u>16.7</u>	<u>3</u>	<u>42.9</u>	<u>3</u>	<u>37.5</u>	<u>7</u>	<u>33.3</u>
Total	6	100.0	7	100.1	8	100.0	21	99.9
Gamma = 0.218								

NOTE: Percentages do not always total 100 because of rounding.

one-half of the 2 per cent managers and five-sevenths of the 1 per cent managers view their role in political terms. About 40 per cent of the managers from the 1 per cent and the 2 per cent cities hold the strongest possible political orientation. In contrast, only one manager from the 0 per cent cities conceives of his policy role in like terms.

Policy implementation

As Loveridge aptly puts it, the real payoff from classifying role perspectives lies in what such policy conceptions can explain about actual behavior in the policy-making process.

And the most critical policy activities involve controversial innovations and leadership choices.⁵¹ All three groups of managers tend overwhelmingly to be professionally oriented and receptive to innovative tax and revenue information from outside reference groups. But the three groups of managers do appear to differ with respect to their policy role orientations. Hence, one gets down to the politics of the matter. Do the managers also differ when it comes to translating orientations into real policy-making behavior?

In an effort to answer this question, I asked the managers how frequently they tried to use innovative tax and revenue ideas acquired through professional channels. Appendix A, item 31, gives the exact wording of the question and the possible responses. I expected to find that as the sales tax rate rises, the frequency of attempted implementation increases. Table 5-10 shows how the managers replied to this query.

The expected pattern does indeed appear. One-half of the 2 per cent managers report using all or many of the new ideas. About 85 per cent of the 1 per cent managers fall into the many-to-some range. And all of the 0 per cent managers try to use some or a few of the innovative ideas which they receive through professional communications channels. And it

⁵¹Ibid., pp. 115 and 119.

TABLE 5-10

CITY MANAGERS' USE OF INNOVATIVE TAX AND REVENUE INFORMATION, BY
LOCAL SALES TAX RATE

Manager Reports Using:	Sales Tax Rate							
	0%		1%		2%		Total	
	Cities		Cities		Cities			
	N	%	N	%	N	%	N	%
All	0	0.0	0	0.0	1	12.5	1	4.8
Many	0	0.0	3	42.9	3	37.5	6	28.6
Some	4	66.7	3	42.9	3	37.5	10	47.6
A few	<u>2</u>	<u>33.3</u>	<u>1</u>	<u>14.3</u>	<u>1</u>	<u>12.5</u>	<u>4</u>	<u>19.0</u>
Total	6	100.0	7	100.1	8	100.0	21	100.0
Gamma = -0.535								

NOTE: Percentages do not always total 100 because of rounding.

does seem to be at least suggestively significant that only a 2 per cent manager seeks to use all of the new ideas and information communicated to him.

To summarize this section, then, one might begin by noting Wood's contention that the city manager, concerned with the total character and welfare of his community, quite naturally attempts to formulate and "sell" policy and, indeed, even to force politically distasteful decisions upon the city council.⁵² But at least with respect to the situation in

⁵²Robert C. Wood, Suburbia: Its People and Their Politics (Boston: Houghton Mifflin Company, 1959), p. 185.

Oklahoma, when the unpalatable decision concerns raising taxes, one must apparently modify such sweeping generalizations to account for the distinctions in policy role orientations which Loveridge brings out. Oklahoma cities do differ in their reliance on the local sales tax to meet financial problems. And as Meltsner suggests, at the heart of such differences lie variations in the strength of political leadership.⁵³ Politically oriented city managers seem to be crucial actors in the politics of municipalities which have come to rely relatively more heavily on the local sales tax. With their administratively oriented counterparts in cities with relatively lower reliance on the tax, they tend to share a high degree of "outward-looking" professional identification and receptivity to innovative ideas received through professional channels. But they tend to differ when it comes to translating innovative knowledge into policy power. These differences become apparent when one sees that as the sales tax rate rises, city managers tend to become more "politico" in their perceptions of their representational role, more oriented toward an activist policy leadership role, and more willing to use innovative tax and revenue information acquired from outside professional reference groups.

⁵³Meltsner, The Politics of City Revenue, Chapter 7.

Summary

Political structure seems to be an important variable to consider in attempting to account for differences in political behavior. The first part of this chapter uses a city manager/non-city manager government framework to look at certain variables identified earlier as apparently important in explaining differences in reliance on the local sales tax. The analysis within this framework shows that city manager cities tend to rely more heavily on the local sales tax than do cities without the council-manager plan. And as compared with officials from non-city manager cities, formal tax leaders from city manager cities tend to think that the community climate for tax increases is more favorable, to feel more informed about tax and revenue matters, and to depend more on administrative than on constituency sources for developing revenue-raising preferences.

Since cities with each of the sales tax rates divide about equally with respect to form of government, the relationships noted above suggest that one should examine similarities and differences among city managers themselves. Subsequent analysis reveals that the managers differ very little in their views about local tax and spending levels. They generally feel that both taxes and spending should be increased.

However, as the sales tax rate rises, managers become more likely to have residency and tenure characteristics which have been associated with innovativeness. All three groups of managers tend to stress economic growth and amenities policy roles for their governments and to downplay "caretaker" government and arbitration orientations. As expected, the proportion of managers emphasizing the small government role decreases as the sales tax rate rises. But unexpectedly, arbitration role orientations become more important as the tax rate goes up.

This latter finding leads one to speculate about possible differences in the managers' personal policy orientations and behavior, especially with respect to the interrelationship of professionalism, diffusion of innovative tax and revenue information, and the translation of orientations and information into actual policy-making. An examination of these matters reveals that all three groups of managers tend to have a strong sense of professional identification which apparently makes them receptive to professionally transmitted information on tax and revenue innovations. But when one shifts from this more administrative aspect of the policy process to the more political requirements for translating knowledge into policy, he finds that the three groups of officials appear to differ in several critical respects. More specifically, as the sales

tax rate rises, especially to the maximum allowable rate, managers tend to become more likely to assume a "politico" representational role, to see themselves as policy activists and politically oriented leaders, and to attempt to convert professionally communicated cues into actual tax and revenue policy. These findings suggest that the presence or absence of a politically oriented manager is a key variable in accounting for differences in reliance on the local sales tax. And they seem to underscore the importance of strong political leadership in municipal tax and revenue matters.

CHAPTER VI

POLITICAL LEADERSHIP AND TAX POLICY DIFFERENCES

Introduction

This study focuses on the importance of leadership in accounting for differences in reliance on the local sales tax among Oklahoma cities and towns. Chapter I raises one basic and numerous subordinate research questions. The basic question asks what factors in the municipal tax and revenue policy process in Oklahoma encourage and enable leaders in some cities to rely more heavily on the local sales tax than is the case elsewhere within the state. The subordinate queries explore this matter from a number of perspectives: historical traditions and precedents, constitutional/legal constraints, municipal revenue sources, tax leaders' social background characteristics and psychological orientations, and governmental structure.

As to be expected, an exploratory study such as this can offer no conclusive answers to the basic question, although the results suggest that strong political leadership is one of the most critical factors. In any case, the efforts to answer

the subordinate sets of questions do seem to provide valuable insights into key variables in the policy process and to afford useful guidance for both future research and policy recommendations. Accordingly, the next section of this chapter reviews the highlights of the study in order to point up the variables which appear to be particularly important. The subsequent section looks at possible areas for future research--drawing on observations made during visits to two cities (Geary and Clinton) conducting sales tax election campaigns to illustrate many of the problems which seem to merit additional study. The concluding section attempts to translate the findings of this research effort into some useful policy prescriptions for municipal tax leaders.

Revenue-Raising in Oklahoma Municipalities

The Political Economy

The first set of questions deals with the interrelated impact of tax traditions, precedents, and constitutional/legal constraints on the municipal tax and revenue process. How do these factors relate to differences in the political economies of cities with varying sales tax rates?

To secure adequate financial resources to meet demands for public goods and services, Oklahoma municipalities have traditionally relied more on public enterprises (especially

utilities) than on municipal taxes. This situation has resulted from two main causes. First, constitutional/legal constraints have strongly discouraged use of the property tax and deficit financing and have just as strongly encouraged public enterprise financing. Second, although Oklahoma pioneered in adopting a state sales tax, the state did not permit cities and towns to levy a local sales tax until the mid-1960s.

At present, Oklahoma municipalities may impose a voter-approved local sales tax up to a rate of 2 per cent. To date, over 300 communities have opted for this new source of revenue. At the same time, however, many cities have either foregone this revenue option entirely or taken less than maximum advantage of it.

As an initial step in trying to account for such differences in reliance on the local sales tax, I drew samples of cities with each of the three possible sales tax rates (0, 1, and 2 per cent). Then I developed a politically oriented classification scheme for municipal revenues: "direct impact taxes," "sales and services," "intergovernmental revenue," and "indirect revenue." Finally, I used this classification scheme to analyze the FY 1972 gross receipts of the 44 cities and towns in the total sample.

The analysis reveals that relative reliance on the sales tax (which makes up practically all of the revenue in the

"direct impact taxes" category) rises dramatically as the sales tax rate rises. At the same time, although very sizable proportions of all three groups of cities continue to rely heavily on traditional "sales and services" sources of revenue (mainly utilities), reliance on this source tends to decline noticeably as the sales tax rate rises. In addition, whereas more than one-half of the 1 per cent and the 2 per cent cities rank high or medium on all four revenue categories, the 0 per cent cities rank low on all categories except "sales and services." This finding suggests that the local sales tax may provide new avenues for expanding revenues from the various categories and may be associated with tendencies to develop a more expansive and diversified "mix" of revenue sources.

Analysis of the political economies of Oklahoma municipalities provides no direct information on why the cities vary in their reliance on the local sales tax. But it does offer a good foundation for exploring such differences in terms of the social background characteristics, political psychology, and form of government of formal tax leaders from the three groups of cities. Mail questionnaire responses of 244 public officials form the basis for these three parts of the research effort.

Background Characteristics of Tax Leaders

The second group of questions focuses on selected social background characteristics of municipal tax leaders. Can one find differences in these factors which appear to be associated with variations in reliance on the local sales tax?

Formal tax leaders in cities with relatively high sales tax rates tend to have certain social background and recruitment characteristics which the results of other research have associated with innovativeness and a general lack of concern over constraints presumably imposed by the political environment. More specifically, as compared with 0 per cent officials, leaders from sales tax cities tend to have resided in their communities for appreciably shorter lengths of time and to hold higher SES occupations (proprietary businessmen making up a dominant category). Concerning motivations for recruitment to public office, as the sales tax rate rises, the influence of friends and neighbors tends to decline. This suggests that acquaintances holding a low-tax ideology become less influential in the recruitment process as the sales tax rate goes up. And finally, a rising proportion of "short-termers" in office accompanies an increase in the local sales tax rate. These relationships suggest that in comparison with no-tax cities, municipalities with a sales tax tend to receive more

frequent infusions of the kind of progressive "fresh blood" which would make for innovative tax leadership.

Political Psychology of Tax Leaders

The third set of questions asks what makes tax leaders "tick" psychologically. Can one relate differences in psychological orientations to differences in reliance on the sales tax?

In an attempt to find possible relationships between political economies, social background characteristics, and attitudinal sets of local tax leaders, the analysis turns first to the officials' perceptions of the municipal tax environment, *i.e.*, governmental policy roles (especially as they relate to revenue-raising preferences), local tax climate, and community self-reliance values. In general, one can say that as the city sales tax rate goes up, officials' perceptions of economic growth policy roles for their communities tend to increase. And a reverse sort of relationship appears with respect to the small government policy role. But contrary to expectations, one finds no association between economic growth orientations and a progressive and innovative attitude toward the sales tax as a revenue-raiser. Officials from cities with no local sales tax tend to favor the sales tax much more than do their counterparts in the 1 per cent and the 2 per cent

cities when it comes to preferences for sources of additional revenue. Perhaps one can partly account for this situation by noting that many of the 0 per cent cities played "catch-up" during the data collection phase of this study and by surmising that some leaders in the sales tax cities may be perceiving a psychological barrier to further tax increases. Given these conditions, it does seem significant that one can nevertheless see a slight trend associating perceptions of an increasingly favorable community tax-increase climate with rising sales tax rates. In contrast to this relationship, as the sales tax rate declines, officials tend more and more to place a high value on local self-reliance. The relationships noted for community tax climate and local self-reliance values appear to be in keeping with earlier speculation and findings concerning progressive economic growth and traditionalist "caretaker government" policy roles.

The analysis of the tax environment emphasizes attitudinal differences among the three groups of tax leaders. But in many cases, they exhibit strong similarities in orientation. In addition, unexpected results appear when one tries to establish a continuity and consistency between policy role perceptions and immediate revenue-raising preferences. These things suggest that in exploring variations in municipal sales

tax policies, one must go beyond the general "strategic" considerations of community culture and environment and examine aspects of the immediate "tactical" situation.

This "immediate situation" analysis focuses on perceived similarities and differences between officials and constituents with respect to local tax and spending levels. One finds that surprisingly high proportions of all three groups of officials think that local tax levels are about right, and that spending and services should be increased. But even more surprising is that the 0 per cent officials tend to be somewhat more likely to favor tax and spending increases than are their counterparts in the presumably more progressive sales tax cities.

With respect to perceptions of constituency attitudes on tax and revenue matters, all three groups of officials tend to view their constituents as favoring the sales tax as a revenue-raiser, believing local taxes to be too high, and wanting to hold the line on services and spending. Interestingly, however, as the tax rate rises, the citizenry tends to be perceived as less supportive of the sales tax as a revenue source and more concerned about high tax levels. On the other hand, perceived public demands for increased spending and services apparently accompany a rising tax rate. Yet as the

sales tax rate increases, the public is perceived to be more and more inclined to cut services rather than to raise taxes.

All three groups of officials tend to perceive substantial agreement with constituents on revenue-raising preferences, local tax levels, and levels of municipal spending and services. But in contrast to what one might expect, the degree of consensus on most issues tends to decrease as the sales tax rate goes up.

One can suggest a number of explanations for many of these surprising and inconsistent "immediate situation" findings. For example, the sales tax may well bump into a psychological barrier as the rate approaches the maximum allowable. At the same time, the public fear of higher utility rates and officials' "desperation" over inadequate service and spending levels may combine with the well-known "tax habituation" principle to promote a more favorable attitude toward the sales tax among 0 per cent officials and citizens. But from the standpoint of accounting for differences in reliance on the local sales tax by relating such variations to differences in leadership psychology, it would appear that differing perceptions of the general tax environment furnish a more reliable guide than do "immediate situation" variables.

One of the most difficult things to explain is the unexpected finding that as the sales tax rate rises, perceived

congruence between tax leaders and their constituents seems to decline. After all, the analysis of perceived community tax climate indicates that the citizenry is likely to become more and more progressive, responsible, and supportive as the tax rate goes up. Yet the officials in the higher tax rate cities tend to perceive more conflict with their public support base than is the case elsewhere. This situation leads one naturally to consider some of the thorny issues involved in constituency relations and representational responsiveness.

Using the familiar "trustee, delegate, politico" typology, one finds that differences in reliance on the local sales tax seem to be unrelated to variations in Oklahoma municipal tax leaders' perceptions of their representational role. Among all three groups of officials, trustee-like motivations and role perceptions predominate when the situation calls for the official to go against popular opinion on a tax-increase proposal. This suggests that all three groups tend to feel like "politically muscular volunteers" in the sense of being relatively unconcerned about the consequences of going against public opinion. Such similarities do not, however, carry over to the related matters of tax knowledge and preferred information sources. For example, relative to the citizenry, 0 per cent officials seem to consider themselves somewhat less

knowledgeable than do their counterparts elsewhere. Since the 0 per cent cities have obviously lagged in adopting the sales tax, this finding suggests that political clout is positively related to relatively high information and knowledge levels. Moreover, in connection with such a "knowledge is power" hypothesis, as the tax rate goes up, consultation with the public on preferred revenue-raising methods tends to go down. In other words, as the sales tax rate rises, "inward-looking" expertise, not public opinion, tends to become an increasingly important power base.

Differences in officials' knowledge levels and information flow patterns appear to be important in accounting for variations in reliance on the local sales tax. This finding raises questions about the acquisition and transmission of innovative tax and revenue information. And data on the officials' preferred information sources suggest that city managers play a critical part in this aspect of the policy process. Hence, one turns naturally to an examination of whether differences in form of government and managers' attitudes and behavior seem to be related to variations in local sales tax policy.

Political Structure and the Role of Managers

The fourth set of research questions inquires into whether city manager/non-city manager form of government makes

any difference in reliance on the local sales tax. Earlier analysis suggests that it may well. And if this is the case, then one would do well to focus on the city managers themselves--looking for differences in background, attitudes, and reported policy behavior. It seems especially important to probe for differences among the managers with respect to communicating innovative tax and revenue information and translating such knowledge into actual policy.

Analysis of selected indicators reveals that the city manager form of government seems to be an important variable in accounting for differences in reliance on the municipal sales tax. As compared with tax leaders from non-city manager communities, officials from municipalities with the council-manager plan tend to perceive a more favorable tax climate, to consider themselves more informed about tax and revenue matters, and to acquire such information from bureaucratic rather than constituency sources. In short, they appear to feel more politically "muscular" than do their non-city manager counterparts. And these differences are apparently translated into policy variations, for city manager municipalities tend to rely more heavily on the local sales tax than do mayor-council cities.

At the same time, the three subsamples of cities split about evenly with respect to form of government. This suggests that one must look for differences in the managers themselves if he is to pursue this line of thought to its logical conclusion.

Returning to the sales tax rate framework for this part of the analysis, one finds that the three groups of managers differ little with respect to their views on local tax and spending levels. They all tend to favor higher taxes and more governmental activity. However, as the sales tax rate rises, increasing proportions of managers tend to be relative "short-timers" in their communities and their office. These characteristics would presumably be associated with more progressive and innovative attitudes toward tax and revenue matters. Finally, all three groups of managers tend to stress economic growth and amenities policy roles for their governments and to downplay small government and arbiter roles. As expected, the proportion of managers emphasizing the "caretaker government" orientation decreases as the tax rate goes up. But unexpectedly, arbitration role orientations tend to become more important as the tax rate rises.

This latter finding becomes less puzzling and provides valuable research guidance when one relates it to personal policy orientations and behavior. That is, differences in

perceptions of the arbiter role permit one to speculate that as the sales tax rate rises, city managers tend to be more and more politically oriented in their attitudes and behavior. Moreover, using the "knowledge is power" argument, one might further speculate that a crucial "moment of truth" in the tax and revenue policy process arrives when city managers must translate administratively acquired innovative information into politically oriented financial "policy power."

Analysis along these lines indicates that politically oriented city managers are indeed important actors in the politics of municipalities which rely relatively more heavily on the local sales tax. With their more administratively oriented counterparts in cities with lower tax rates, they tend to share a high degree of "outward-looking" professional identification and receptivity to innovative ideas diffused through professional channels. But when one shifts from this more administrative aspect of policy-making to the more political exigencies of translating information into policy, he discovers that the three groups of managers apparently differ markedly in several respects. More specifically, as the sales tax rate goes up, city managers tend to become more "politico" in their representational role perceptions, more oriented toward a policy leadership role, and more likely to try to convert professionally communicated cues into actual tax and

revenue policy. These findings suggest that differences in reliance on the local sales tax are related to variations in the role orientations and behavior of city managers. And they seem to underscore the importance of strong, aggressive, innovative political leadership in the municipal tax and revenue policy process.

Suggestions for Future Research

The results of this study apparently offer some useful insights into why some Oklahoma municipalities have been able to rely more on the local sales tax than others have. But analysis of financial data and "closed-end" questionnaires oftentimes raises as many or more questions than it answers. Such is certainly the case with this study. Accordingly, I should like to suggest some areas which I consider to be worthy of future research effort.

In the area of financial data, once one learns his way around the state capitol, he has a centralized gold mine of raw material at his disposal. Since I am much more interested in leadership psychology than aggregate financial statistics, my treatment of the data in the various municipal documents is unsophisticated to say the least. But it does nevertheless attempt to examine the data from a political perspective. Political scientists should try to do more of

this sort of thing; they need not remain chained to analytical formats imposed by economists and accountants. In any case, I would plead especially for more research on the policy consequences of the sales tax. For example, I suggest elsewhere that the sales tax may tend to expand and diversify other politically oriented categories of revenue. Is this really the case? If so, what is the nature of the political processes involved? Are some categories more "favored" in the authoritative allocation process? If so, how and why?

With respect to social background characteristics, the "knowledge is power" idea suggests that one might well study tax leaders' educational backgrounds much more intensively. By this, I mean their total educational experience, not just years of formal schooling. As one official told me, "You have to remember that half of the councilmen in this state can't spell 'government.'" But city officials are nonetheless governing, and their store of usable knowledge and experience seems to make a critical difference in local tax and revenue policy processes.

This notion gets support from my observations of sales tax election campaigns in Geary and Clinton in the spring of 1973. In Geary (finally trying for the first penny), the council members had been in office for a full two years. But

they still seemed unsure of themselves on many aspects of the sales tax, somewhat simplistic in their planning for the referendum, and as highly reliant on the city attorney as Vidich and Bensman's portrayal of the village board in Springdale.¹ In Clinton (going for a 2 per cent rate), in contrast, the council members not only benefited from the presence of an administratively astute and a politically oriented city manager, but also appeared to be more generally knowledgeable and experienced in their own right. Accordingly, although the manager obviously furnished policy leadership in the campaign, he was certainly not the only strong leader in the affair. And the council members and informal tax leaders were able to use the expertise of the manager and other technical experts to develop an administratively sophisticated financial approach to the tax issue. And by working together during a well-planned political campaign, they were able to translate their innovative information and knowledge into local tax policy.

In the survey questions concerning initial recruitment into office and representational role, I give some attention to certain aspects of tax leaders' psychological motivation.

¹Arthur J. Vidich and Joseph Bensman, Small Town in Mass Society: Class, Power and Religion in a Rural Community (Rev. ed.; Princeton, New Jersey: Princeton University Press, 1968), p. 124.

And although Prewitt's concept of the "duty-bound volunteer"² is highly useful in studying motivations of local tax leaders, it seems to lack something that I cannot really pin down. When I asked tax-proposing leaders in Geary and Clinton why they were publicly associating themselves with a politically unpopular issue like a tax increase, some responded in terms of civic duty and community need. But many others just looked at me blankly for a while and then answered vaguely or simply changed the subject. And contrary to the "public-be-damned and I-don't-care-about-reelection" aspects of "volunteerism," many of the Geary tax leaders who were running for council seats in a concurrent election indicated that they would have felt much more comfortable if they had not been publicly associated with the tax proposal. Moreover, in their personal campaigns, they tended to downplay or to try to hide their role in the issue.³ In other words, the Geary election suggests that Meltsner is right when he argues that motivations

²Kenneth Prewitt, The Recruitment of Political Leaders: A Study of Citizen-Politicians (Indianapolis: The Bobbs-Merrill Company, Inc., 1970); Kenneth Prewitt, "Political Ambitions, Volunteerism, and Electoral Accountability," American Political Science Review, LXIV (March 1970), pp. 5-17.

³An interesting sidelight: whereas the sales tax question received a resounding "yes" vote, the only two candidates for municipal office who openly campaigned for the tax went down to crushing defeat at the hands of an individual so closed-mouth that he even refused to talk to me.

present serious problems for political analysis because they are a highly idiosyncratic function of the individual, the time, and the place.⁴ This seems to be particularly true when one is dealing with local leaders who do not wish to view themselves as politicians in the first place.⁵ As Eldersveld points out, political leaders have difficulty with questions about their motivations because they either will not express their motives candidly or are confused about their actual personal interests in political affairs.⁶ In any case, motivational differences among tax leaders appear to represent a topic worthy of considerable additional study.

Closely related to the problem of motivation is the matter of behavior resulting from such motivation. Here, one could profitably do a series of case studies of tax-proposing leaders' psychologically motivated campaign behavior. By this, I do not mean the mechanics of campaigns, e.g., usage of various mass media, different kinds of canvassing efforts,

⁴Arnold J. Meltsner, "Political Feasibility and Policy Analysis," Public Administration Review, XXXII (November/December 1972), p. 861.

⁵See Prewitt, The Recruitment of Political Leaders, pp. 100-103; Gordon S. Black, "A Theory of Professionalization in Politics," American Political Science Review, LXIV (September 1970), pp. 868-869.

⁶Samuel J. Eldersveld, Political Parties: A Behavioral Analysis (Chicago: Rand McNally & Company, 1964), p. 276.

alliance-forming. These surely are all interesting matters, but it seems to me that a much more important problem involves the psychological orientations of tax-proposing leaders as they go about trying to "sell" the tax to the public.

If, as Meltsner contends, a city revenue crisis is essentially a political leadership crisis,⁷ local tax referenda seem to be especially well-suited for studying this problem. According to Cobb and Elder, a political issue is most commonly created whenever members of the political system perceive an unfavorable distribution of positions or resources. And redistribution issues such as taxation tend to get on the agenda quickest of all since they involve the immediate interests of a great many persons.⁸ Accordingly, tax-proposing leadership--like all leadership--becomes a highly complex matter involving the interactions of leaders, followers, and the situation.⁹ This being the case, one might ask, for

⁷Arnold J. Meltsner, The Politics of City Revenue (Berkeley: University of California Press, 1971), p. 11.

⁸Roger W. Cobb and Charles D. Elder, Participation in American Politics: The Dynamics of Agenda-Building (Boston: Allyn and Bacon, Inc., 1972), Chapter 5.

⁹Cecil A. Gibb, "Leadership," in The Handbook of Social Psychology, ed. by Gardner Lindzey and Elliot Aronson, Vol. 4 (2d ed.; Reading, Massachusetts: Addison-Wesley Publishing Company, 1969), pp. 205-282.

example, if tax-proposing leaders perceive attitudinal differences with the public, do they modify their tax-proposing behavior to account for the differences? In the election campaign, in other words, do they try to talk to the citizens on their own terms, or do they in reality only talk to themselves and to others of like mind?

If one associates higher tax rates with relatively more successful tax-proposing leadership, then the results of the survey suggest that successful tax-proposing leaders are more likely to follow the latter course of action. And in its own peculiar way, the situation in Geary's campaign seems to bear out this line of thought. That is, the leaders half-heartedly talked themselves into bringing the tax to a vote. Then they pretty much left the issue to fend for itself since they generally seemed to reinforce one another's perceptions of great public opposition to higher taxes. Yet the proposal passed by a healthy margin. The Clinton campaign appears to offer another variation of this theme. There, the leaders first "sold" themselves on the merits of the issue. Then, when they looked at the public, they perceived no great opposition to the tax. But they nevertheless enthusiastically sought out the citizenry and tried to promote the proposal in terms meaningful to the general public. And the issue passed by a margin much greater than that achieved in Geary.

With respect to form of government, the survey results indicate that a politically oriented city manager is a crucial element of leadership when it comes to translating innovative tax and revenue information into substantive policy. Yet many mayor-council cities have been equally successful in introducing sales tax innovations. Accordingly, fruitful research might well look into the way in which tax and revenue innovations are communicated to leaders in cities without the manager plan and are subsequently converted (or not converted) into policy. To put it another way, do the non-city manager cities have counterparts to administratively or politically oriented city managers? If so, who are they, and how do they operate in tax and revenue matters?

Concerning referendum results, the rapid spread of the sales tax among Oklahoma municipalities suggests that this type of local levy enjoys considerable acceptance in the public mind. But is this really the case? No one keeps any records about the number of tax referenda which have failed over the years. One could, however, develop a fairly reliable set of data on rejections by screening the local newspapers on file at the Oklahoma Historical Society in Oklahoma City. This would admittedly constitute a sizable undertaking, but at least the materials would all be located in one place.

Also related to referenda results is the problem of how predecisional tax-proposing leadership factors relate to citizen attitudes as expressed behaviorally in level of turnout and election results. As Meltsner says, one may be able to define tax support only in terms of specific referenda and issues.¹⁰

As for turnout, Boskoff and Zeigler observe that American state and local politics has few well-documented generalizations, but among them are these: (1) referenda and other forms of direct legislation tend to attract less citizen attention and electoral involvement than any other type of election; and (2) relatively high turnout in such affairs is associated with defeat of the proposition(s). The usual explanation for these generalizations is that a hard-core of high status, well-informed "good citizens" regularly turns out to advance the community interest as defined by the socio-political elite. Accordingly, increased turnout indicates that something has moved usually uninformed and uninterested lower-strata citizens actively to oppose the democratic elites' vision of the public interest.¹¹ And as for election results,

¹⁰Meltsner, The Politics of City Revenue, p. 223.

¹¹Alvin Boskoff and Harmon Zeigler, Voting Patterns in a Local Election (Philadelphia: J. B. Lippincott Company, 1964), pp. 15-29.

Meltsner says that voting in tax elections and paying taxes provide important indicators of support for the political system.¹² Yet other authors imply that leadership activities are more likely to arouse dissatisfaction, negativism, or outright opposition among citizens than they are to win additional support.¹³

In contrast to this general picture of the "alienated voter" model advanced by Coleman and numerous other sociologists,¹⁴ other researchers, notably political scientists, have taken issue with this view of local referenda. That is, they contend that the model is too simple mainly because it tends to ignore the crucial matter of specific issues involved.¹⁵

¹²Meltsner, The Politics of City Revenue, p. 3.

¹³Boskoff and Zeigler, Voting Patterns in a Local Election, Chapter 4; Robert Jackson Goettel, "The Relationship Between Selected Economic and Fiscal Factors and Voting Behavior in School Budget Elections in New York State" (unpublished Ed.D. dissertation, Teachers College, Columbia University, 1970); George Katona, The Mass Consumption Society (New York: McGraw-Hill Book Company, 1964), pp. 150-152.

¹⁴James S. Coleman, Community Conflict (Glencoe, Illinois: The Free Press, 1957), p. 19. See Clarence N. Stone, "Local Referendums: An Alternative to the Alienated-Voter Model," Public Opinion Quarterly, XXIX (Summer 1965), pp. 213-215, for a good summary statement of the "alienation" theory and footnotes guiding one to much of the sociological literature on the topic.

¹⁵See, for example, Charles L. Willis, "Analysis of Voter Response to School Financial Proposals," Public Opinion Quarterly, XXXI (Winter 1967-1968), pp. 648-651; Robert L.

This emphasis on issues seems to be especially germane to the study of local sales tax referenda, for tax-proposing leaders tend to take one of two main approaches to selling the tax to the public. They can use the "shotgun blast" philosophy, *i.e.*, a "general community welfare and improvement" sales pitch. Or they can relate the tax to one or a few specific issues. Claunch generally indicates that in five Missouri sales tax elections, the "specific issue" approach was much more successful than was the other technique.¹⁶

This was certainly the case in Clinton, where the sales tax was specifically related to a new hospital. And in comparison with the median 29 per cent turnout for municipal elections held independently of other elections,¹⁷ the 44 per cent

Crain, Elihu Katz, and Donald B. Rosenthal, The Politics of Community Conflict: The Fluoridation Decision (Indianapolis: The Bobbs-Merrill Company, Inc., 1969), James Q. Wilson's prefatory comments on pp. x-xi and the authors' arguments on pp. 7-12 and 123-235; Stone, "Local Referendums . . .," pp. 213-222; Harlan Hahn, "Voting in Canadian Communities: A Taxonomy of Referendum Issues," Canadian Journal of Political Science/Revue canadienne de Science politique, I (December/décembre 1968), pp. 462-469.

¹⁶Ronald G. Claunch, "Voter Reactions to Missouri Sales Tax Referenda: The Role of Self-Interest, Public-Regard-iness and Political Trust" (unpublished Ph.D. dissertation, University of Missouri, Columbia, 1972), pp. 76-139.

¹⁷Northern Illinois University, Staff of the Center for Governmental Studies, "Citizen Participation and Local Government in the United States--An Analysis of Recent Research," Studies in Comparative Local Government, V, No. 2 (Winter 1971), p. 80.

turnout of registered Clinton voters (91 per cent of the voters approving the issue) was relatively high and indeed compared quite favorably with the 52 per cent turnout for the most recent contested city-wide race for public office (the 1970 contest for mayor).¹⁸ In contrast, the Geary tax leaders used the "shotgun blast" approach. And the election was held in conjunction with municipal elections for mayor and council seats. Given the heightened public interest thus induced, it is not surprising that the sales tax proposal had a relatively high 44 per cent turnout. But even so, it received a 69 per cent approval rate.¹⁹

In short, these findings appear to be somewhat contradictory. And, accordingly, they suggest that a series of well-conceived case studies could usefully inquire into how tax-proposing leadership approaches and activities relate to public turnout and support levels in local sales tax referenda.

¹⁸Percentages computed from records on file at the city hall and the Custer County Election Board branch office, Clinton, Oklahoma. The turnout and results of the Clinton sales tax referendum seem to be consistent with other research indicating that hospitals and similar issues tend to be associated with both high turnout and overwhelming voter approval. See Stone, "Local Referendums . . . ," pp. 215-222; Hahn, "Voting in Canadian Communities . . . ," pp. 466 and 468-469.

¹⁹Percentages computed from records on file at the Blaine County Election Board, Watonga, Oklahoma, and the Canadian County Election Board, El Reno, Oklahoma. Geary has one precinct which lies within Canadian County.

Policy Implications and Conclusions

As Wood observes, the local budget-maker occupies an unenviable spot--analogous to that of "a cat on a hot tin roof"--between restricted revenues and ever-rising demands for public goods and services.²⁰ To escape this two-way squeeze, he faces the problem of creating "fiscal illusions," to use Buchanan's term, which lower taxpayers' resistance by making them feel that their tax levies are less burdensome than they really are.²¹ For the Oklahoma municipal tax leader, at least, the local sales tax seems to offer a ready and highly useful vehicle for doing just that. The rapid spread of the city sales tax suggests, on the surface at any rate, that this particular type of levy meets with relatively light public resistance. My conversations with tax leaders reveal that the sales tax is relatively popular largely because both officials and citizens firmly believe that it equitably spreads out the burden of taxation--even to welfare recipients and visitors from out-of-town! And the analysis of financial

²⁰Robert C. Wood, with Vladimir V. Almendinger, 1400 Governments: The Political Economy of the New York Metropolitan Region (Cambridge, Massachusetts: Harvard University Press, 1961), p. 92.

²¹James M. Buchanan, Public Finance in Democratic Process: Fiscal Institutions and Individual Choice (Chapel Hill: The University of North Carolina Press, 1967), p. 131.

data indicates that the sales tax not only increases total revenues appreciably, but also enables local leaders to lessen their reliance on unpopular "extractive" policies such as higher utility and property tax rates. In short, the local sales tax appears to afford the beleaguered city official a politically viable alternative to the specter of untenable financial pressures, although it admittedly represents only a partial solution to the basic problem.

In any case, the main thrust of this study is that local leaders must emphasize the political leadership aspects of the tax and revenue policy process if they wish to take advantage of this particular answer to some of their problems. And the analysis presented strongly suggests that differences in reliance on the sales tax are closely related to variations in the degree of the strength of political leadership among Oklahoma cities and towns.

It is, of course, all well and good to prescribe strong tax and revenue policy leadership. But from the practitioner's standpoint, the big question is how to achieve it. The results of this study, though by no means conclusive, do suggest a number of positive steps which can be taken.

First, municipalities should select leaders with background characteristics which tend to make them receptive to

innovative tax and revenue ideas. Such leaders should have a progressive and expansive attitude toward governmental activity.

Second, leaders with such characteristics apparently tend to perceive a more favorable tax environment than do their counterparts with more conservative and traditionalist backgrounds. And they also seem to be more willing to base their policy behavior on their perceptions of the general tax climate rather than on their conceptions of their constituents' "immediate" views and preferences. In terms of practical leadership, these factors indicate that local officials should be optimistic about the basic civic responsibility of the citizenry when it comes to coping with the financial problems of their communities. Moreover, they should not be afraid to go against perceived public opposition to tax-increase proposals. The results of this study show that perceived leader-follower disagreement tends to rise as the sales tax rate goes up. Apparently, public opposition is not always as great as one might think. Also, given the relatively low level of public interest and participation in local politics, it seems likely that in many cases, perceived opposition comes from a small hard-core of vocal "againers," not the general public.

Third, the study indicates that political prowess grows out of relatively high levels of knowledge and information.

In other words, the "knowledge is power" hypothesis points up the crucial importance of effective communication of innovative tax and revenue ideas. Although local leaders should not subordinate themselves to the cosmopolitan expertise which frequently generates such innovative information, they should certainly ensure that they do not shut off the communications channels running to sophisticated financial experts.

Finally, the study suggests that an excellent approach to translating tax and revenue innovations into actual policy is to hire a politically astute city manager. Indeed, many of the key indicators of differences in reliance on the sales tax show that the city manager form of government itself tends to be associated with higher sales tax rates. Hence, one might simply argue for hiring a city manager--period. But if the city is going to fork out good money for a manager, local officials might as well take the time and effort to find one with a political orientation to his job. His professional identification and connections are likely to make him highly efficient in handling the administrative aspects of acquiring innovative tax and revenue information. And his political orientations will probably make him an effective policy ally and leader when the sales tax issue must face its "moment of truth" in the political arena.

Vidich and Bensman point out that the local political process is no simplistic affair, but instead represents "a complex integration of economic, social . . . , psychological, legal and administrative facts." The thing that links these various factors into a coherent and dynamic process is an intricate structure of political leadership.²² This study attempts to show how all of these factors bear on the tax and revenue process. The results indicate that the relative strength of political leadership is perhaps the critical element in accounting for varying tax policy responses to the financial problems facing Oklahoma municipalities.

²²Vidich and Bensman, Small Town in Mass Society, pp. 210-211.

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APPENDIX A

QUESTIONNAIRE ON TAX AND REVENUE OPINIONS
OF MUNICIPAL OFFICIALS

**OKLAHOMA MUNICIPAL LEAGUE**

4040 LINCOLN BOULEVARD • OKLAHOMA CITY, OKLAHOMA 73105 • AC/405 427-8546

Dear City Official:

Attached is a questionnaire prepared by Mr. Charles B. Williams, who is a Ph.D. candidate at the University of Oklahoma. Mr. Williams is writing his doctoral dissertation on the problems of municipal taxation and revenue in Oklahoma.

Mr. Williams hopes that his research effort will eventually produce some useful and practical policy assistance for city officials in Oklahoma. This questionnaire will greatly influence the final conclusions which he reaches. It is extremely important to get a good response from the scientifically selected sample of city officials to whom he is sending the questionnaire.

Mr. Williams is undertaking this research at his own expense and initiative. With respect to this project, he is affiliated with no governmental agency or private association (other than his academic department at the University of Oklahoma, of course). In particular, the Oklahoma Municipal League neither officially sponsors nor financially supports Mr. Williams' research effort.

Although Mr. Williams has no official connection with the League, he is attempting some scholarly research which could potentially help city officials throughout Oklahoma. Accordingly, we would appreciate your participation in this project. You will need only a few minutes to complete and mail the questionnaire. The results of this study could benefit us all in the long run.

Thank you.

Very sincerely,

Donald C. Rider
Executive Director

QUESTIONNAIRE ON TAX AND REVENUE OPINIONS
OF MUNICIPAL OFFICIALS

March 1973

Introduction

The following questions are designed to provide certain information about the opinions and the background of city officials in selected municipalities throughout Oklahoma. The final study will preserve the anonymity of each participant in this survey, and the information contained in this questionnaire will be kept strictly confidential. This means that your completed questionnaire will be seen only by those few persons who are working with me on this study, and that the results of this study will appear as statistical summaries which will prevent anyone from knowing how you answered the questions. I greatly appreciate your assistance and cooperation in helping me with this research project.

Overall Instructions

1. Please take care to answer all questions.
2. Some questions may not seem to apply to your city or town. Nevertheless, for the purposes of this study, please give the answer which seems to be the most satisfactory or appropriate.

3. You will probably need about 20 minutes to complete the questionnaire.

I

1. Please check the office you now hold (if you are no longer serving in your city's government, indicate the office that you have most recently held):

- 1a. _____ Mayor (or president of board of trustees).
- 1b. _____ Councilman (or member of board of trustees).
- 1c. _____ City manager.
- 1d. _____ City clerk or finance officer (specify: _____).
- 1e. _____ Other (specify: _____).

II

Here are three questions which ask you to rank-order your opinions on certain characteristics of your community. For these three questions only, you should enter a different number in front of each of the four possible answers. Please read each question carefully!

2. Most cities nowadays need additional revenue. Let's pretend that your city needs to raise more money, and that you could get the extra funds only in the following ways. Please rank these methods in the order of your own preference (1 = your first choice, 2 = your second choice, 3 = your third choice, and 4 = your fourth choice):

2a. _____ Hold an election and pass a city sales tax
(assume that there is no legal upper limit
on the rate).

2b. _____ Raise additional revenue from city-owned
utilities.

2c. _____ Obtain a state or federal grant-in-aid.

2d. _____ Pass a city ordinance raising the cost of
permits and licenses.

3. Now, would you please rank-order these four methods of
raising additional money as you think the average citizen
would prefer them (1 = citizen's first choice, 2 = citizen's
second choice, and so on):

3a. _____ Pass a city sales tax.

3b. _____ Raise more money from city-owned utilities.

3c. _____ Get a state or federal grant.

3d. _____ Raise the cost of permits and licenses.

4. Communities incorporate for various reasons, and they seem
to have differing basic emphases or outlooks. Here is a list
of four general kinds of city government. Would you please
rank them in the order which seems to describe most closely
the general situation in your community (1 = most like your
city, 2 = next most like your city, and so on):

- 4a. _____ Our city government promotes community growth. We facilitate and encourage commercial and industrial growth.
- 4b. _____ Our city government promotes "gracious living." We provide a wide variety and high level of community services.
- 4c. _____ Our city government promotes small government, low taxation, etc. We limit community growth and maintain only traditional services.
- 4d. _____ Our city government is unable to promote any one interest. We work out policies with a number of conflicting community interests.

III

Thank you. Now, for each of the following questions, please check the one answer which best describes your opinion.

5. Let's suppose that your city has to raise a large amount of additional revenue. Please indicate which one of the following sources you would most likely consult to get the "straight poop" on the best way to raise this extra money: (Check only one!)

- 5a. _____ Members of the council or board of trustees.
- 5b. _____ City manager or other city administrators.
- 5c. _____ Citizens-at-large.

5d._____ Community interest groups.

5e._____ Personal knowledge (gained through personal contacts or acquaintances, reading, education, training, experience, and so on).

5f._____ Other (specify:_____).

6. Traditionally, governmental officials have considered it politically unpopular to propose a tax increase. Now, let's assume that such a tax-increase proposal has come up in your community. The public-at-large seems to oppose it. But you personally favor it because of your knowledge of the community's needs and problems. Which of the following statements would best describe the way that you would react to the proposal: (Pick one!)

6a._____ I would publicly support the proposal because I have a duty to improve my community now and for the future.

6b._____ I would publicly disapprove of the proposal because the citizens seem to be against it.

6c._____ Other (specify what you would do):_____

7. How do you personally feel about the taxes you pay for local government, that is, the taxes that support your city

government, the county, and the school system? Are they:

(Select one!)

7a. _____ Much too high?

7b. _____ A little too high?

7c. _____ About right?

7d. _____ A little too low?

7e. _____ Much too low?

8. What about the average citizen in your town? How do you think he feels about local taxes? (Select one!)

8a. _____ Much too high.

8b. _____ A little too high.

8c. _____ About right.

8d. _____ A little too low.

8e. _____ Much too low.

9. Which of the following statements most closely corresponds to your opinion? Check only one!

9a. _____ The city should drastically cut services and reduce spending.

9b. _____ The city should reduce spending somewhat by cutting out expensive "frills."

9c. _____ The city should maintain its present level of services and spending.

9d._____ The city should increase spending enough
to provide a few more services or improve
present ones a little.

9e._____ The city should drastically expand its
services and spending.

10. Now, how do you think the average citizen feels about
local services and spending? Again, check only one.

10a._____ Reduce them sharply.

10b._____ Reduce them a little.

10c._____ Keep them where they are.

10d._____ Increase them a little.

10e._____ Increase them a great deal.

IV

Here are some statements about tax and revenue matters as
they apply to your community. Please mark each statement
according to how much you agree or disagree with it. In other
words, for each statement, circle one number which corresponds
to the one answer most nearly describing how you feel--do you
(1) strongly agree, (2) pretty much agree, (3) agree a little,
(4) disagree a little, (5) pretty much disagree, or (6)
strongly disagree?

11. The city can and should obtain financial		STR.
support from county, state, and federal	STR.	DIS-
agencies.	AGR.	AGR.
	1 2 3 4 5 6	

- | | STR.
AGR. | | | | | STR.
DIS-
AGR. |
|---|--------------|---|---|---|---|----------------------|
| 12. In general, people here support the efforts of their city officials to cope with the problems facing the city. | 1 | 2 | 3 | 4 | 5 | 6 |
| 13. In general, people here will support a tax increase if their city officials show them the need for one. | 1 | 2 | 3 | 4 | 5 | 6 |
| 14. People here have a progressive spirit and want to boost the community. | 1 | 2 | 3 | 4 | 5 | 6 |
| 15. Basically, the city should be self-reliant and draw on its own resources when it comes to solving community problems. | 1 | 2 | 3 | 4 | 5 | 6 |
| 16. The people here have a good sense of civic responsibility when it comes to facing up to community problems. | 1 | 2 | 3 | 4 | 5 | 6 |
| 17. The average citizen in your city is as well informed on local government tax and revenue matters as you are. | 1 | 2 | 3 | 4 | 5 | 6 |
| 18. The city should be more aggressive in going after financial assistance from county, state, and federal agencies. | 1 | 2 | 3 | 4 | 5 | 6 |
| 19. People here understand that the taxes and charges they pay are related to the city services they receive. | 1 | 2 | 3 | 4 | 5 | 6 |

- | | | | | | | | |
|---|------|---|---|---|---|---|--------------|
| 20. People here would rather cut services | STR. | | | | | | STR. |
| than increase taxes. | AGR. | 1 | 2 | 3 | 4 | 5 | DIS-
AGR. |
| | | | | | | | 6 |
-
- | | | | | | | | |
|---|--|---|---|---|---|---|---|
| 21. Federal revenue sharing is a good thing | | | | | | | |
| for this community. | | 1 | 2 | 3 | 4 | 5 | 6 |

V

Thank you very much. Now I need a little bit of background information.

22. Has your city ever tried unsuccessfully to pass a local sales tax (regardless of whether one was passed later on)?

22a. _____ Yes.

22b. _____ No.

23. How long have you served in your present public office (if you are no longer serving in a public office, give previous length of service)? _____ years.

24. How long have you lived in the city where you now hold (or have held) public office? _____ years.

25. What is your occupation? Please be as specific as you can--for example, merchant, farmer, lawyer, plumber. _____

26. How did you first get in public office? Pick one.

26a. _____ A friend or neighbor got me interested.

26b. _____ Through work in a community organization
(what organization? _____)

_____).

26c. _____ My active interest in a particular issue
or problem (what was the issue or problem?
_____).

26d. _____ The nature of my occupation got me involved.

26e. _____ Other (specify: _____
_____).

27. If you would like to receive a copy of the results of
this study, please check here _____. PLEASE PRINT YOUR ADDRESS!

Send to: _____

28. If you would care to add some comments, please check
here _____. Please write on the next page. Don't feel that
you must limit yourself to these particular questions. I will
be most interested in anything you have to say about the prob-
lems of city finances. I deeply appreciate your cooperation
in helping with this research project. Please place the
questionnaire in the enclosed postage-paid, self-addressed
envelope and mail it right away! Thank you.

Charles B. Williams
1105 Grover Lane
Norman, Okla. 73069

COMMENTS

[This page went to all officials
except city managers.]

SPECIAL NOTE FOR CITY MANAGERS

PLEASE COMPLETE QUESTIONS 29 THROUGH 32 BEFORE ADDING COMMENTS
AND MAILING THE QUESTIONNAIRE. THANK YOU.

COMMENTS

FOR CITY MANAGERS ONLY

Part of this research project looks at the impact of city managers on local tax and revenue policies. To help me get at this sort of information, I am adding the following four items to the questionnaires sent to city managers. I would appreciate your answering the questions as carefully as possible. Remember that your replies will be held in the strictest confidence.

29. Please indicate your chief source of new information and ideas on local tax and revenue matters. Check only one!

- 29a. _____ Other city managers.
- 29b. _____ Other administrative personnel in your
city government.
- 29c. _____ Members of the council or board of trustees.
- 29d. _____ Citizens-at-large.
- 29e. _____ Community interest groups.
- 29f. _____ Professional education.
- 29g. _____ Professional reading.
- 29h. _____ Other (specify: _____).

20. We hear a great deal about the city manager profession. How do you feel about being a member of this particular profession? Is it: (Check only one!)

- 30a. _____ Very important to you?
 - 30b. _____ Somewhat important to you?
-

- 30c._____ A little important to you?
- 30d._____ Probably unimportant to you?
- 30e._____ Not very important at all to you?
- 30f._____ Quite unimportant to you?

31. City managers have a great many possible channels for exchanging innovative ideas. For example, they can maintain informal personal contacts, attend meetings and conferences, and read professional literature. You yourself probably get new ideas on local tax and revenue matters through these various channels. If we assume that you do acquire innovative tax and revenue ideas through professional channels, how many of them do you try to adapt to or implement in your own city?

Select only one!

- 31a._____ All.
- 31b._____ Most.
- 31c._____ Many.
- 31d._____ Some.
- 31e._____ A few.
- 31f._____ None.

32. Finally, how would you characterize your participation in the tax and revenue policy-making process in your city?

Pick one!

- 32a. _____ Advise the council or board (for example, answer questions, give background information).
- 32b. _____ Participate in the policy-making process to some degree (for example, present pros and cons, provide guidelines).
- 32c. _____ Develop and recommend policy, but primarily within well-defined policy areas.
- 32d. _____ Act as a policy leader (that is, initiate, recommend, and take a position on most policy matters).

Thank you for your assistance. Please send this supplementary information along with the basic questionnaire.